



**POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATIONS FOR DISCLOSURE**

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**Version – 1.2<sup>1</sup>**

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**Tarsons Products Limited**  
**CIN: L51109WB1983PLC036510**  
**Martin Burn Business Park, Room No. 902 BP- 3, Salt Lake, Sector- V,**  
**Kolkata 700091, West Bengal, India**  
**T: +91 33 3522 0300, Email- [info@tarsons.com](mailto:info@tarsons.com), Website: [www.tarsons.com](http://www.tarsons.com)**

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Version 1.1 (Effective from 11<sup>th</sup> August, 2023)

## POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURE

### INTRODUCTION

Tarsons Products Limited (hereinafter referred to as “Tarsons” or “Company”) has formulated the “Policy for Determining Materiality of Events/Information for Disclosure”) in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI LODR/Listing Regulations/LODR”).

### OBJECTIVE OF THE POLICY

The objective of this Policy is to assist the employees of the Company in identifying any potential material events or information in an objective manner that may originate at the ground level which can be promptly reported to the authorised Key Managerial Personnel of the Company, as specified in this Policy, for determining the materiality of the said event or information. The Policy defines the Company’s responsibilities to ensure timely and adequate disclosure of material events and price sensitive information to the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited and on the website of the Company.

All provisions of Regulation 30 read with Schedule III of the Listing Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

### DEFINITIONS

In this Policy, unless the context otherwise requires:

- i. **“Act”** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- ii. **“Authorized Person”** shall mean one or more Key Managerial Personnel as defined under section 2(51) of the Companies Act, 2013 as may be authorized by the Board of directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchange(s).
- iii. **“Board”** means Board of Directors of the Company.
- iv. **“Compliance Officer”** shall mean the Company Secretary of the Company.
- v. **“Mainstream media”** shall include print or electronic mode of the following:
  - Newspapers registered with the Registrar of Newspapers for India;
  - News channels permitted by Ministry of Information and Broadcasting under Government of India;
  - Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
  - Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India
- vi. **“Material Events/Information”** shall mean events or information stated as such under regulation 30 of Listing Regulations read with Part A of Schedule III thereto.
- vii. **“Net Worth”** means net worth as defined in Section 2(57) of the Act.
- viii. **“Turnover”** means turnover as defined in Section 2(91) of the Act.

## **AUTHORIZED PERSON**

The Board of Directors have authorised the Chairman & Managing Director, Whole-Time Director, Chief Financial Officer and Company Secretary for the purpose of determining materiality of an event or information (acting jointly) and making disclosure to Stock Exchanges in pursuance to Regulation 30(5) of Listing Regulations. Details of the aforementioned KMPs are available on the website of the Company.

The Authorized Person shall determine as to whether an event/ information is material or not and also, at the time of its occurrence. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, both the 'quantitative' and 'qualitative' factors shall be considered. In case the relevant authorized person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

## **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION**

### **I. Events which are deemed to be material events**

The Company shall disclose all events/information which are stated in Para A of Part A of Schedule III to the Listing Regulations without any application of the guidelines for materiality.

### **II. Events which are dependent on application of guidelines for materiality**

The Company shall disclose all the events or information specified in Para B of Part A of Schedule III of the Regulations, based on application of materiality criteria, as set out under Listing Regulations.

#### **Quantitative Criteria for determining the materiality of events or information**

Quantitative criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- i. two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company; or
- ii. two percent (2%) of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or
- iii. five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three (3) audited consolidated financial statements of the listed entity;

*Note: The average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value/figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.*

#### **Qualitative Criteria for determining the materiality of events or information**

Qualitative criteria would mean an event/information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or

- iii. any other event/information viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

#### **GUIDANCE ON WHEN AN EVENT/INFORMATION CAN BE SAID TO HAVE OCCURRED FOR DISCLOSURES UNDER REGULATION 30 OF THE LISTING REGULATIONS**

The occurrence of material events/information could be either emanating from within or outside the Company by its own accord or for reasons not in the hands of the Company. The timing of occurrence of an event and/or availability of information has to be decided on a case-to-case basis. It can be classified as under:

- i. In matters which depends on the stage of discussion, negotiation or approval, the events/information can be said to have occurred upon receipt of approval by the Board of Directors or after receipt of approval of the Board of Directors and shareholders, as the case may be;
- ii. In case of natural calamities, disruptions, etc., the events/ information can be said to have occurred when the Company becomes aware of the information.

The occurrence of aforementioned event/information, shall be subject to guidance provided by the SEBI vide its circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July, 2023, as amended from time to time.

#### **TIMELINE FOR DISCLOSURE OF ALL MATERIAL EVENTS OR INFORMATION IN TERMS OF THE PROVISIONS OF THE LISTING REGULATIONS**

The Company shall disclose to the stock exchange(s) all events or information which are identified as material in terms of the Listing Regulations & this Policy as soon as reasonably possible and in any case not later than the following:

- a) thirty (30) minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;

Provided that in case the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Provided further that in case the meeting of the Board of Directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- b) twelve (12) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c) twenty-four (24) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

*Provided that disclosure with respect to events specified in Part A of Schedule III of the Listing Regulations shall be made within such timelines as specified by SEBI in its circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31 December, 2024*

Further, in case of any delay, an explanation shall be provided by the Company in this regard. The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

### **REVIEW AND AMENDMENTS**

The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the Clauses/provisions in the Policy inconsistent with the Regulations, the provisions of the Listing Regulations would prevail over the Policy and the Clauses/provisions in the Policy would be deemed to be modified accordingly, from the effective date as specified in such amendment(s) or clarification(s).

### **DISCLOSURE ON WEBSITE**

As required under the SEBI Regulations, this Policy shall be hosted on the website of the Company. Further, the event/information disclosed to the Stock Exchanges as per this policy for a minimum period of five years or for such other period, if the period prescribed shall be more than five years by the Listing Regulations.

After completion of the minimum period of five years or such other period as prescribed by the Regulations and/or applicable law, the events or information shall be archived by the Company for a further period of one year. Thereafter, the archival material may be destroyed as per the Policy on Preservation of Documents of the Company.