



**POLICY FOR DETERMINATION OF**  
**MATERIALITY OF EVENTS**  
**OF**  
**ESPRIT STONES LIMITED**



## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS**

### **I. PREAMBLE:**

Esprit Stones Limited (“Company”) is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner.

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires every listed entity to frame a ‘Policy for Determination of Materiality of Events and give suitable information to stock exchanges, based on the criteria specified in Regulation 30 of the Listing Regulations.

The Board of Directors (“Board”) of the Company, in its meeting dated December 18, 2023 has adopted the Policy on determination of materiality of events or information (“Policy”) that warrants disclosure to investors and has been framed in compliance with the requirements of the SEBI Listing Regulations.

### **II. OBJECTIVES OF THE POLICY:**

The objectives of this Policy are as follows:

- a) To ensure that the Company complies with disclosure obligations to which it is subject as an equity listed company as laid down by the SEBI Listing Regulations, various securities laws and any other legislations.
- b) To ensure that the information disclosed by the Company is timely and transparent.
- c) To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d) To protect the confidentiality of material/ price sensitive information within the context of the Company’s disclosure obligations.
- e) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f) To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.



- g) To provide shareholders, investors and the Market with timely, direct and equal access to material information issued by the Company.

### **III. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION:**

The following are the criteria/ guidelines for determination of materiality of events/ information:

#### **Qualitative Criteria:**

- 1) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available in public domain; or
- 2) The omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date; or
- 3) In case where the criteria specified in sub-clauses (1) and (2) above are not applicable, an event/ information may be treated as being material if in the opinion of the Board of Company, such event/information will be considered material.
- 4) The Company shall also disclose all such events/information with respect to subsidiaries, if any, which are material for the Company.
- 5) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- 6) The Company may on its own initiative also, confirm or deny any reported event/ information to stock exchange(s).

#### **Quantitative criteria –**

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:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or



(b) 2% (two per cent) of consolidated 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

(c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if 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.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

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.

#### **IV. DISCLOSURE OF MATERIAL EVENTS/ INFORMATION:**

The Managing Director, Joint Managing Director and Company Secretary of the Company shall observe the following for proper and timely disclosure of any material events/ information:

- (1) The events/ information specified in Para A of Part A of Schedule III of Listing Regulations shall be deemed to be material events/ information and the same shall be disclosed without applying any test of materiality (as prescribed in Clause III above);
- (2) The events/ information specified in Para B of Part A of Schedule III shall be considered material if such events/ information qualifies the test of materiality specified in Clause III above and the same shall be disclosed, if considered material;
- (3) Any events/ information which are not covered in point (1) and (2) above, but which is are considered material, in the opinion of the Board shall be disclosed by the Company at an appropriate stage.
- (4) All above disclosures shall be made within the timelines as specified in the SEBI Listing Regulations, as applicable. The disclosure made to the stock exchanges under this Policy shall also be disclosed.



## **V. AMENDMENT:**

The Board (including its duly constituted committees, wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. In any case, any subsequent amendment to the SEBI Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

## **VI. REVIEW:**

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.