

**E-LAND APPAREL LIMITED**

**Regd. Office:** 16/2B, Sri Vinayaka Indl  
Estate, Singasandra Near Dakshin  
Honda Showroom House Road,  
Bangalore Karnataka 560068



**Policy for Determination of Materiality of Events or Information**

This Policy has been formulated in accordance with the guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. The Board shall review, and if found required, may amend this Policy from time to time.

**1. Objective**

The objective of the Policy is to determine materiality of events or information and to disseminate the information in a timely manner to enable the investors to make well informed decisions.

**2. Definition**

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of E-Land Apparel Limited, as constituted from time to time.

“**Company**” means E-Land Apparel Limited.

“**Key Managerial Personnel**” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“**Listing Agreement**” shall mean an agreement entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015.

“**Policy**” means this Policy on criteria for determining materiality of events or information and as may be amended from time to time.

“**Listing Regulations**” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

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“**Relevant Employee(s)**” shall encompass the Head of the Departments of the Company and shall include such employees who deals with or comes into possession of potential material events/ information in the course of the performance of his/ her duties.

**3. Guidelines for Determining Materiality of Events or Information**

Events / information shall be considered as Material if it meets any of the following criteria:

- (a) the event or information is in any manner unpublished price sensitive information;
- (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) 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; and
- (d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.
- (e) any transaction transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower
- (f) A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed {five} percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company
- (g) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (1) two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - (2) two percent 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;
  - (3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;
- (h) Whether the Event/ Information represents a significant shift in strategy and is an exit from, or entry

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into, a significant line of business;

**Events which shall be disclosed upon application of the guidelines for materiality referred under sub-regulation (4) of regulation (30) if the impact of such event on the Company exceeds 10% of its turnover, based on the latest audited Financial Statement of the Company**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company 8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Any other information/event 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.

#### **4. Disclosure Requirements**

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as soon as reasonably possible and in any case not later than the following:

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(i) thirty 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.

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

(iii) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the Company:

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of Listing Regulations shall be made within specified timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.

*Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors*

The Relevant employees shall be guided by this Policy and any potential event/information, which comes to their knowledge, shall be reported to the Authorized KMP for determining the materiality and disclosure, if any, to the Stock Exchange(s).

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**5. Authority to Key Managerial Personnel**

During performance of one's role, the relevant employee/(s) shall be responsible for identifying events/information which has potential to be classified as material events/information as per the policy.

Upon identification of potential material events/information, the relevant employee shall promptly report the details of such potential material events/information to the authorised Key Managerial Personnel.

The Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary are severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) in accordance with provisions of the Regulations or any other law as may be applicable.

**6. Amendments**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

**7. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the Listing Regulations; Companies Act, 2013, or any other statutory enactments, rules, the provisions of such Listing Regulations, Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.