

# **FOCUS**

LIGHTING & FIXTURES LTD.

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION**

Adopted on	20 <sup>th</sup> March, 2017
Effective from	13 <sup>th</sup> April, 2017
1 <sup>st</sup> Amendment	10 <sup>th</sup> February, 2022
2 <sup>nd</sup> Amendment	24 <sup>th</sup> July, 2023

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION**

### **1. INTRODUCTION & APPLICABILITY:**

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Focus Lighting And Fixtures Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current 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.

The Board of Directors (“the Board”) of the Company at its meeting held on July 24, 2023 accorded its approval for amendment of “Policy on Determination of Materiality of Event”. The Board shall review, and if found required, may amend this Policy from time to time.

### **2. AUTHORIZATION:**

The Board of Directors of the company has authorized the following Key Managerial Personnel in the order of priority for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Mr. Amit Vinod Sheth - Managing Director,
- Mr. Tarun Udeshi - Chief Financial Officer,
- Mrs. Drashti Senjaliya - Company Secretary & Compliance Officer.

### **3. DISSEMINATION OF POLICY:**

This Policy shall be hosted on the website of the Company.

### **4. DISCLOSURE REQUIREMENTS:**

All the events/information disclosed to the stock exchange(s) shall be uploaded on the Company’s website for a minimum period of 5 years and thereafter as per archival policy of the Company (refer Company’s Policy hosted on the website for Archival of Documents).

### **5. DETERMINATION OF MATERIAL EVENT/INFORMATION:**

According to the proposals, materiality has to be determined on a case-to-case basis depending on the specific facts and circumstances relating to the event / information. A particular event / information would be considered as material in nature if it satisfies either of the criteria proposed below:

- a. **Quantitative criteria** calculated based on Audited Consolidated Financial Statements of the last audited financial year of the Company, would mean event/ information where the value involved or the financial impact that exceeds:
- two percent of turnover or,
  - two percent of the net worth, except in case the arithmetic value of the net worth is negative or,
  - Five percent of the average of absolute value of profit or loss after tax, whichever is **lower**.
- b. **Qualitative criteria** would mean an event/ information:
- the omission of which is likely to result in a discontinuity or alteration or information already available publicly, or
  - the omission of which is likely to result in significant market reaction if the said omission came to light at a later date, or
  - the omission whose value or the expected impact in terms of value exceeds Point 5(a).
  - In case where the criteria specified above is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material:

If particular information or event in question satisfies any of the 'qualitative' or 'quantitative' criteria, the company would be under an obligation to disclose the same to the stock exchange.

## 6. **DISCLOSURE TO THE STOCK EXCHANGE:**

As per Securities Exchange Board of India (SEBI) Circular No.: SEBI/LAD-NRO/GN/2023/131 dated 14<sup>th</sup> June, 2023, the events specified in Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been amended.

As per regulation 30(6) of SEBI (LODR), 2015, the Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (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;
  - (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
  - (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:
- The listed entity shall first disclose to stock exchange(s) of all events, as specified in Para A of Part A of Schedule III, or information as soon as reasonably possible and not later than thirty minutes, twelve hours or twenty four hours, as the case may be from the occurrence of event or information.

Provided that in case the disclosure is made after thirty minutes, twelve hours or twenty four hours, as the case may be of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:

**Para A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) and as per the timeline prescribed under Regulation 30(6) of SEBI (LODR), 2015:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the company or sale of stake in associate company of the Company or any other restructuring.

**Explanation (1):** For the purpose of this sub-para, the word 'acquisition' shall mean:

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
  - (a) the company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

**Explanation (2) -** For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include

- i. an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- ii. an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

**Explanation (3) -** For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. New rating(s) or Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The company shall disclose to the Exchange(s), within **30 minutes** of the closure of the meeting, held to consider the following:
- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
  - b) any cancellation of dividend with reasons thereof;
  - c) the decision on buyback of securities;
  - d) the decision with respect to fund raising proposed to be undertaken
  - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g) short particulars of any other alterations of capital, including calls;
  - h) financial results;
  - i) decision on voluntary delisting by the company from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

6. Fraud or defaults by the Company, promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad.

Explanation 1 - In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2 - Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.

7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.

7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).

8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions along with such details as prescribed under Para A of Part A of Schedule III.
10. One time settlement with a bank.
11. Winding-up petition filed by any party / creditors.

12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the company.

13. Proceedings of Annual and extraordinary general meetings of the company.

14. Amendments to memorandum and articles of association of company, in brief.

(a) Schedule of analysts or institutional investors meet 425[at least two working days in advance (excluding the date of the intimation and the date of the meet)] and presentations made by the Company to analysts or institutional investors as per the manner prescribed under Para A of Part A of Schedule III;

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s),

15. The following events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debtor under the Insolvency Code:

a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default,

b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default,

c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable,

d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code,

e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016,

f) Appointment/ Replacement of the Resolution Professional,

g) Prior or post-facto intimation of the meetings of Committee of Creditors,

h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation.

i) Number of resolution plans received by Resolution Professional,

j) Filing of resolution plan with the Tribunal,

k) Approval of resolution plan by the Tribunal or rejection, if applicable,

l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets.

m) Any other material information not involving commercial secrets.}

n) 429[Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;

o) Quarterly disclosure of the status of achieving the MPS;

p) The details as to the delisting plans, if any approved in the resolution plan.

Initiation of Forensic Audit along with such disclosures as prescribed under Para A of Part A of Schedule III;

16. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
17. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
  - (a) search or seizure; or
  - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013 along with such disclosures as prescribed under Para A of Part A of Schedule III;
18. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of:
  - (a) suspension;
  - (b) imposition of fine or penalty;
  - (c) settlement of proceedings;
  - (d) debarment;
  - (e) disqualification;
  - (f) closure of operations;
  - (g) sanctions imposed;
  - (h) warning or caution; or
  - (i) any other similar action(s) by whatever name called as prescribed under Para A of Part A of Schedule III;
19. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.
  - The company shall make disclosure of events specified in Para B of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as follows, based on application of the guidelines for materiality, as specified in sub-regulation (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

**Para B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30) and as per the timeline prescribed under Regulation 30(6) of SEBI (LODR), 2015:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:



- a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
- b) adoption of new line(s) of business; or
- c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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. Pending of any Litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Fraud or defaults by employees of the Company which has or may have an impact on the listed entity.
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. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

**Para C.** 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.

**Para D.** Without prejudice to the generality of para (A), (B) and (C) above, the company may make disclosures of event/information as specified by the Board from time to time.

**Note:** In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company will make adequate disclosures in regard thereof as may be determined by the above Key Managerial Personnel of the Company.