

GLOSTER LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

Background

Regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Regulations”) requires every listed entity to frame a policy for determination of materiality of events of information that requires appropriate disclosure to the stock exchange(s).

Designated Authority for evaluating Events/Information as ‘material’

The Regulations provide that the Board of Directors of the Company shall authorize one or more Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosure to the stock exchanges under the Regulations.

The Executive Chairman, Managing Director, Company Secretary and CFO, jointly or severally, shall take a view on materiality of an event or information qualifying for disclosure under clause 30 of the Regulations, decide the appropriate time at which such disclosure is to be filed with Stock Exchange(s) and details that may be filed in the best interest of present and potential investors.

The above KMP are jointly or severally authorized for making disclosures of such material events or information, to the Stock Exchange(s). The contact details of the above KMP shall also be disclosed to the stock exchange(s) as well as placed on the website of the Company.

Criteria for Determining Materiality

While determining whether an event or information is material, the designated authority shall consider the criteria given in sub-regulation (4) of Regulation 30 of the SEBI Regulations, enumerated herein below :-

- a) Events specified in Para A of Part A of Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be deemed to be material events and the designated Authority/Company shall make disclosure of such events without any application of the guidelines for materiality.
- b) An event/information shall be treated as material if in the opinion of either Board of Directors of the Company or Chairman or Managing Director or CFO of the Company, the event/information is considered as material.
- c) Besides per se Material Information, an event/information, would be deemed as Material Information:
 - I) If the omission of an event or information whose value or the expected impact in terms of the value exceeds the lower of the following
 - i) two percent of turnover as per the last audited consolidated financial statements of the Company or

- ii) Two percent of net worth except in case of the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the company
- iii) 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

Accordingly, any transactions exceeding the lower of i, ii, or iii above, with an Annual impact in value will be considered for the above purpose of determination of materiality.

Identification of potential material events or information by Key Management Officials

Members of Senior Management as may be identified by the Managing Director from time to time collectively referred to as “Key Management Officials” may be required to handle such information or event which may fall under the disclosure requirements of this Policy or Listing Regulations. Key Management Officials shall be obligated to immediately (duly considering the fact that the same may be required to be announced within the timelines as specified under this Policy and Listing Regulations) inform about the occurrence of the event or information as falling under Annexure A and B of this Policy or of Para ‘A’ and Para ‘B’ of Part ‘A’ of Schedule III of the Listing Regulations and bring such occurrence to the attention of at least one KMP of the Company by way of email.

Key Management Official may at any time consult anyone of the KMP in case they are not able to identify or decide whether the particular event or information falls under the criteria as specified under this Policy or of Para ‘A’ and Para ‘B’ of Part ‘A’ of Schedule III of the Listing Regulations.

Key Management Official sharing the information shall send an email with the Title “Confidential material event/information” marked as “High Priority”. The email shall contain the basic details such as:

- a. Details/ Brief about the event/Information
- b. Whether the event/Information is in the ordinary course or otherwise
- c. Name of the Department/ Official from where the event/Information got generated.
- d. Names of the persons who are aware about the said event/Information and additions to the names shall be immediately informed.
- e. Whether the event/Information falls under Annexure A or B of this Policy or of Para ‘A’ and Para ‘B’ of Part ‘A’ of Schedule III of the Listing Regulations
- f. Potential Impact of such event/Information
- g. Whether the event/Information is emanating from within or outside the Bank

Disclosures

The Company shall first disclose to the Stock Exchanges all events / or information which are material in terms of the Policy and Listing Regulations as soon as reasonably possible and in any case not later than the following:

- a. 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;
- b. Twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. Twenty four hours from the occurrence of the event or information in case the event or information is

not emanating from within the Company.

- d. In case the disclosure is made after the timelines specified under Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.
- e. In case of an event or information which is available with the Company and which may not fall either in Para 'A' and Para 'B' of Part 'A' of Schedule III of the Listing Regulations, the Company will disclose such event or information if the same is expected to have a material effect on it.
- f. Pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, if an event or information is required to be disclosed in terms of Regulation 30 of Listing Regulations, the Company shall disclose such communication along with the event or information unless disclosure of such communication is prohibited by such authority.
- g. For the purpose of this Policy, imposition of any charges or fines which are in the nature of or termed as penalties and which may be levied for operational deficiencies or infractions and where the impact in terms of financial or operational activities of the Company is negligible or extremely low will not be considered for disclosure keeping in mind the intent behind the SEBI Listing regulations with respect to the concept of materiality.
- h. The Company shall make disclosures to the Stock Exchanges updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.

In the event of the concerned Stock Exchanges raising any queries with respect to events / information disclosed under this Policy, the KMP shall reply to the Stock Exchanges and satisfactorily answer the queries or provide the clarifications sought.

Disclosure on Website

The Company shall within 2 working day disclose on its website all such events/information which has been disseminated to the Stock Exchanges under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy / process followed by the Company.

Amendments/Modification of the Policy

In case of any subsequent changes in the provisions of Acts/Regulations, which makes any of the provisions in the Policy inconsistent with the Act or Regulations, the provisions of the Acts/Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

Date of initial approval of the Policy by the Board: 29/03/2018

Date of last amendment by the Board: 05/08/2023

Annexure A

Event / Information to be disclosed without applying Guidelines for Determining Materiality of Events / Information as prescribed in Para A of Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(the amendments issued by SEBI on June 14, 2023, are highlighted in bold for ease of reference)

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

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

i) acquiring control, whether directly or indirectly; or

ii) acquiring or **agreement to acquire shares or voting rights in a company, whether existing or to be incorporated**, whether directly or indirectly, such that –

a. the listed entity 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 subclause of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or

c. the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in subclause (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 subclause (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 Bank 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 listed entity 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 Bank), 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 a listed entity, its promoter, **director**, key managerial personnel, senior management or **subsidiary** or arrest of key managerial personnel, senior management, promoter or **director** of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.**
- ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.**

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 listed entity."

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, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

7B. In case of resignation of an independent director, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges:

- (i) Detailed reasons for the resignation of independent directors as given by the said director.
- (ii) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- (iii) The confirmation as provided by the independent director above shall also be disclosed to the stock exchanges along with the detailed reasons as specified in point (i) above.

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 including the following details:

- (i) Decision to initiate resolution of loans/ borrowings;
- (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
- (iii) Finalization of Resolution Plan;
- (iv) Implementation of Resolution Plan;
- (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.

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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of the Bank, in brief.
15. (a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet)” shall be inserted and presentations made by the listed entity to analysts or institutional investors.

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), in the following manner:

- (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
- (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

16. 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 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;

- 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, including details such as:
 - (i) Pre and Post net-worth of the Bank;
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the Bank;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the Bank, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
 - (ix) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) Brief description of business strategy.
- m) Any other material information not involving commercial secrets.
- n) 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.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Bank:

- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Bank along with comments of the management, if any.

18. 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.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. 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 the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;**
- ii. nature and details of the action(s) taken, initiated or order(s) passed;**
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;**
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;**
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.**

20. 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 the following:

- (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;**

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;**
- ii. nature and details of the action(s) taken, initiated or order(s) passed;**
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;**
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;**
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.**

21. 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.

Annexure B

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:
 - (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, revision(s) or amendment(s) and termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Bank 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 Bank.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Bank.
9. Frauds or defaults by employees of the Bank which has or may have an impact on the Bank.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety by whatever named called 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