



Sundram Fasteners Limited

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SFL's POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT

[Pursuant to Regulation 30(4) (ii) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015]

[As amended by the Board of Directors on November 3, 2023]

1. Introduction

The Securities and Exchange Board of India has notified the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (LODR Regulations) effective 1st December, 2015. Regulation 30(4)(ii) of the LODR Regulations mandates the Company to formulate a policy for determination of materiality, based on the following criteria:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) 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;
- c) ***the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:***
 - (1) ***2% of turnover, as per the last audited consolidated financial statements of the listed entity;***
 - (2) ***2% of networth, as per the last audited consolidated of the listed entity, except in the case the arithmetic value of the networth is negative;***
 - (3) ***5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statement of the listed entity.***
- d) ***In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the listed entity, the event or information is considered material.***

The policy shall be approved by the Board of Directors of the Company and also be disclosed on the Company's website.

Accordingly, the Board of Directors of the Company has approved the following Policy for determination of materiality of an event. The Board of Directors may review and amend the policy from time to time.

2. Objective

The following are the objective of the policy:-

1. Timely disclosure of material information as may be relevant by the Company to ensure fair disclosure to the investor enabling them to facilitate in their investment decisions; and
2. To ensure adequate, relevant and accurate information is disclosed pursuant to on a material event or information.

3. Definitions

- a) "Board" shall mean the Board of Directors of the Company;
- b) "Company" shall mean Sundram Fasteners Limited;
- c) "Key Managerial Personnel" means Managing Directors, Chief Financial Officer & Company Secretary.
- d) "Stock Exchange" means the stock exchanges where the securities of a company are listed;
- e) "Subsidiary" means subsidiary of the Company defined under subsection (87) of section 2 of the Companies Act 2013;
- f) "Policy" means Policy for determination of materiality of an event or information.
- g) "Material Events" are those that are specified in Paragraphs B, C and D of Part A of Schedule III of the LODR Regulations.

Words and expressions not defined in this policy shall have the same meaning but defined in LODR Regulations, the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act 1956, the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 and rules and regulations made there-under.

4. Types of events or information requiring disclosure

[As provided in Paragraph A, B, C and D of Part A of Schedule III of SEBI (LODR) Regulations, 2015]

- A. Events that are deemed to be material have to be necessarily disclosed without applying any test of materiality as indicated in Paragraph A of Part A of Schedule III of the LODR Regulations.
- B. Events that should be disclosed by the Company, if considered material as indicated in Paragraph B of Part A of Schedule III of the LODR Regulations.
- C. Other event or information such as major development that is likely to affect the business of the Company such as:-
 - i) Expiry of patents
 - ii) Emergence of new technologies
 - iii) Any change in accounting policy of the Company that may have a significant impact on the accounts, etc.
 - iv) Any other information exclusively known to the Company, which may be necessary to enable the holders of securities to appraise the company's position and to avoid establishment of a false market in such securities.

- D. Without prejudice to A, B and C above, any event which the Board may consider as material and specify for disclosure

5. Determination of materiality

Subject to provisions of the LODR Regulations, materiality will be determined on a case to case basis depending on specific facts and circumstances relating to each information / event. For the purpose of determining whether a particular event / information are material in nature or not, the **Key Managerial Personnel** may consider the following criteria:-

Qualitative Criteria <i>[as specified Regulation 30(4) of the LODR, Regulations, 2015]</i>
The omission of an event or information:- a) is likely to result in discontinuity or alteration of event or information already available publicly; [or] b) is likely to result in significant market reaction if the said omission came to light at a later date; [or] c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following: (1) 2% of turnover, as per the last audited consolidated financial statements of the listed entity; (2) 2% of networth, as per the last audited consolidated of the listed entity, except in the case the arithmetic value of the networth is negative; (3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statement of the listed entity. d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the listed entity, the event or information is considered material.
Quantitative Criteria <i>[As per SFL's Policy for determination of materiality of an event]</i>
Where the value involved in the event / information or the impact such an event / information exceeds 10% of the Total Income of the Company as at the end of the immediately preceding financial year.

6. Details of information / timing of disclosure to be disclosed to the Stock Exchanges and guidelines for disclosures thereto *[as provided in Regulation 30(6) of the LODR Regulations, 2015].*

- a) The Company will make disclosures of any events or information which, in the opinion of the Board of Directors of the Company, is material.
- b) The Company shall first disclose to stock exchange(s) of all events, as specified in **Schedule III to the LODR Regulations read with the relevant SEBI Circulars. Where such disclosure is made after the stipulated timelines**, the Company will provide necessary explanation for delay along with such disclosure.
- c) The Key Managerial Personnel shall be vested with the authority to determine materiality of an event or information. In case of any ambiguity or inappropriateness in determining the materiality of an event or information, the decision of the Key Managerial Personnel

shall prevail. The Key Managerial Personnel may also be guided by the any circular / guidance of SEBI, Stock Exchanges or other comparable International Regulations about materiality, while expressing a view on whether the information is material or not. The Managing Director of the Company will approve the information for disclosure to the stock exchanges.

- d) The Company Secretary or any other Key Managerial Personnel may make disclosures to the Stock Exchanges. The Contact details of such Key Managerial Personnel are as follows:-

Name	Designation	Contact details
Ms Arathi Krishna	Managing Director	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004 Land Line: +91-44-28478500 Fax: +91-44-28478510 Email: investorshelpdesk@sfl.co.in
Ms Arundathi Krishna	Joint Managing Director	
Sri R Dilip Kumar	Chief Financial Officer	
Sri G Anand Babu	Senior Manager - Finance & Company Secretary	

- e) The Company shall supplement the information released to Stock Exchanges by public announcements and / or by simultaneously publishing such information on the Company's website.
- f) The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- g) The Company shall **disclose on its website** all such events or information which has been disclosed to stock exchange(s) under this regulation, 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 of the Company, as disclosed on its website.
- h) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- i) The disclosure would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of the event / information. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under Regulation 30 of the LODR Regulations. In case of the latter (i.e. natural calamity etc.), the events / information can be said to have occurred when the Company becomes aware of the events / information, or as soon as a Key Managerial Person has reasonably come into possession of the information in the course of the performance of his duties.
- j) The Company shall confirm, deny or clarify any reported event or information in the mainstream media in terms of Regulation 30(11) of the LODR Regulations.
