

VOLTAS LIMITED

Policy on Determination of Materiality for Disclosures of Events or Information

1ST DECEMBER, 2015

(Revised on 19th October, 2023 and effective from 14th July, 2023)

1. Scope and Purpose:

The Company's equity shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and must comply with the disclosure obligations in accordance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter referred to as Listing Regulations). Regulation 30 of Listing Regulations stipulate that listed entities have to frame a Policy for determining materiality of events or information that require disclosure to investors. Accordingly, the Company had in 2015 formulated this Policy to ensure that the required events or information is adequately disseminated in pursuance with Regulation 30 of SEBI Listing Regulations and the same was approved by the Board of Directors on 6th November, 2015. SEBI has from time to time amended Listing Regulations and by its Circular No.SEBI/LAD-NRO/GN/2023/131, dated 14th June, 2023 notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, which have become effective from 14th July, 2023. The said Circular has also amended Regulation 30 of the Listing Regulations, including Schedule III. Subsequently, SEBI has by Circular No.SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 (which has come into force from 15th July, 2023) listed out the details to be provided while disclosing the events as specified in Part 'A' (Para 'A' and Para 'B') of Schedule III to the Listing Regulations. SEBI has by its Circular No.SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/162 dated 30th September, 2023 extended the timelines under Regulation 30(11) of the Listing Regulations

2. Definitions:

In this Policy, unless the context otherwise requires: -

- (a) "Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- (b) "Board of Directors" shall mean the Board of Directors of Voltas Limited.
- (c) "Chief Financial Officer" shall mean the person heading and discharging the finance function of the Company as disclosed by it to the Stock Exchanges in its filing under the Listing Regulations.
- (d) "Key Managerial Personnel" means Managing Director, Whole-Time Director, Chief Financial Officer and Company Secretary of Voltas Limited.
- (e) "Mainstream media" shall include print or electronic mode of the following:
 - (i) Newspapers registered with the Registrar of Newspapers for India;
 - (ii) News channels permitted by Ministry of Information and Broadcasting under Government of India;
 - (iii) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
 - (iv) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.

- (f) “Promoter” and “Promoter Group” shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of Regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (g) “Subsidiary” means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.
- (h) “Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, clarifications, circulars or re-enactment thereof.
- (i) “Schedule” means Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, clarifications, circulars or re-enactment thereof.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. **Objectives of the Policy:**

The objectives of this Policy are as follows:

- (a) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations.
- (b) To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the event or information.
- (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.

4. **Type of Information:**

- (a) The information covered by this Policy shall include “information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.
- (b) Events or information that is to be disclosed without any application of the guidelines for materiality are specified in **Annexure 1** to this Policy.
- (c) Events or information that is to be disclosed based on materiality principle are specified in **Annexure 2** to this Policy.

5. **Persons Responsible for Disclosure:**

The Board of Directors of the Company have authorized the Chief Financial Officer and the Company Secretary (Authorized Persons) to, in consultation with the Managing Director, determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorized Persons are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit and call for information from all its internal stakeholders, including from its subsidiaries.

The Authorized Person(s) shall have the following powers and responsibilities for determining the material events or information:

- (a) To review and assess an event or information that may qualify as ‘material’ and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- (b) To determine the appropriate time at which the disclosures are to be made to the Stock Exchanges based on an assessment of actual time of occurrence of an event or information.
- (c) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved / closed, with relevant explanations.
- (d) To consider such other events or information that may require disclosure to be made to the Stock Exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- (e) To disclose all events or information with respect to the subsidiaries which are material for the Company.

Contact details of the current Authorised Persons are given below:

Mr. Jitender Pal Verma Chief Financial Officer Voltas Limited Voltas House 'A' Dr. Babasaheb Ambedkar Marg Chinchpokli, Mumbai – 400 033. Email: jitenderverma@voltas.com Phone : 022-66656210	Mr. Varun P Malhotra Company Secretary Voltas Limited Voltas House 'A' Dr. Babasaheb Ambedkar Marg Chinchpokli, Mumbai – 400 033. Email: vpmalhotra@voltas.com Phone : 022-66656251
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6. **Guideline for Assessing Materiality:**

Events specified in Para 'A' of Part 'A' of Schedule III are deemed to be material events and require disclosure. Such events/information are listed in Annexure 1 to this Policy.

Events specified in Para 'B' of Part 'A' of Schedule III would require disclosure based on application of guidelines for materiality as under:

- (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; 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:
 - (i) 2% of turnover, as per the last audited consolidated financial statements of the Company;
 - (ii) 2% of net worth, as per the last audited consolidated financial statements of the Company;
 - (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
 - (d) In case whether 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 Company, the event or information is considered material.
- This Policy shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorised Key Managerial Personnel for determining the materiality of the said event or information and for making the necessary disclosures to the Stock Exchanges.

7. Guidance on Timing of an Event or Information:

- (a) The Company may be confronted with the question as to when an event/information can be said to have occurred.
- (b) In certain instances, the answer to above question 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.
 - (i) In the former, the events/information can be said to have occurred upon receipt of approval of the Board of Directors.

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 transactions (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under Regulation 30 of the Listing Regulations.

- (ii) In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

The term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

- (c) Disclosure to the Stock Exchange(s) of all events or information which are material shall be made as soon as reasonably possible and 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 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:

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

In case the disclosure is made after the timelines specified under the Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.

- (d) In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.
- (e) The Company shall confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and which indicates that rumor of an impending specific material event or information are circulating amongst the investing public as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information. As the Company is in the Top 250 listed entities by market capitalization, this provision would be applicable from 1st August, 2024, pursuant to SEBI Circular dated 30th September, 2023.

8. Obligations of Internal Stakeholders and Authorised Persons for Disclosure:

- (a) Any event or information, including the information forming part of **Annexure 1** and **Annexure 2** to the Policy, shall be forthwith informed by the internal stakeholders to the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the Stock Exchanges.
- (b) The Authorized Persons will then ascertain the materiality of such event(s) or information based on the above guidelines.
- (c) On completion of the assessment, the Authorized Persons shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

9. Policy Review:

The Authorized Persons may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Regulations shall *mutatis mutandi* be deemed to have been incorporated in this Policy.

10. Effective Date:

The Policy as approved by the Board of Directors has been effective from 1st December, 2015 and the amended Policy shall be effective from 14th July, 2023.

11. Website:

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Archival Policy of the Company.

**Events or Information that are to be disclosed WITHOUT application of
Materiality Guidelines listed in the Policy**

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 Company, sale of stake in associate company of the Company 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 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-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 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 Company; 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:
- (i) 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;
 - (ii) any cancellation of dividend with reasons thereof;
 - (iii) the decision on buyback of securities;
 - (iv) the decision with respect to fund raising proposed to be undertaken;
 - (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - (vi) 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;
 - (vii) short particulars of any other alterations of capital, including calls;
 - (viii) financial results;
 - (ix) 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 Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company 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 Company 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 the Company shall or shall not act in a particular manner.

6. Fraud or defaults by the Company, its 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:

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 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, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company 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 Company, within seven days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the Company:

- (i) The letter of resignation along with detailed reasons for the resignation as given by the said director.
- (ii) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- (iii) The independent director shall, along with the detailed reasons, also provide confirmation that there is no other material reasons other than those provided.
- (iv) The confirmation as provided by the independent director above shall also be disclosed by the Company to the Stock Exchanges along with the disclosures as specified in sub-clause (i) and (ii) 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 Company within seven days from the date that such resignation comes into effect.

(7D) In case the Managing Director or Chief Executive Officer of the Company 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 Company.
13. Proceedings of Annual and Extraordinary General Meetings of the Company.
14. Amendments to Memorandum and Articles of Association of the Company, 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 meet) and presentations made by the Company 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:

The requirement for disclosure(s) of audio/video recordings and transcript are mandatory.

16. 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 Company:
 - (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 listed entity along with comments of the management, if any.
17. Announcement or communication through social media intermediaries or mainstream media by Directors, Promoters, Key Managerial Personnel or Senior Management of a Company, in relation to any event or information which is material for the Company in terms of Regulation 30 of Listing Regulations and is not already made available in the public domain by the Company.
- Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
18. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or Subsidiary, in relation to the Company, along with relevant details as prescribed, 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.
19. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, 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 Company, quantifiable in monetary terms to the extent possible.
20. Voluntary revision of financial statements or the Report of the Board of Directors of the Company under Section 131 of the Companies Act, 2013.

**Events or Information that are to be disclosed based on Materiality Guidelines
listed in the Policy**

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), 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities (including any Share Based Employee Benefit (SBEB) 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.