

**POLICY FOR DETERMINATION OF MATERIALITY THRESHOLD FOR DISCLOSURE OF EVENTS OR INFORMATION**

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**1. BACKGROUND**

TBO Tek Limited is committed to being open and transparent with all stakeholders and believes in disseminating information in a fair and timely manner.

Pursuant to Regulation 30 read along with Part A and Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”) the Board of Directors (“**Board**”) has adopted this Policy on Determination of Materiality for Disclosures of Events or Information (“**Policy**”).

**2. APPLICABILITY**

This Policy shall apply to the Company and become effective from November 24, 2021.

**3. DEFINITIONS**

In this Policy, unless the context requires otherwise:

- (a) “**Board**” shall mean the Board of Directors of the Company;
- (b) “**Chief Financial Officer**” shall mean the person heading, responsible and for discharging the finance function of the Company as disclosed by it to the recognized stock exchange(s) in its filing under the Listing Regulations;

- (c) “**Companies Act**” shall mean the Companies Act, 2013, as amended;
- (d) “**Key Managerial Personnel**” or “**KMP**” pursuant to Section 2(51) of the Companies Act shall include the following persons:
  - (i) Chief Executive Officer or the Managing Director(s) or the Manager;
  - (ii) Company Secretary;
  - (iii) Whole-time Directors;
  - (iv) Chief Financial Officer;
  - (v) such other officers not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - (vi) Such other officer as may be prescribed by the applicable laws.
- (e) “**Officer**” includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and if applicable, would include promoter of the Company; and
- (f) “**Subsidiary**” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act.

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.

#### **4. OBJECTIVE OF THE POLICY**

The objectives of this Policy are as follows:

- (a) To ensure that the Company complies with the disclosure obligations of a listed Company laid down by the SEBI Listing Regulations, various securities laws and any other applicable laws (in India and overseas).
- (b) To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information, so identified as material.
- (c) To ensure that to the best of the knowledge of the management, the 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 and ensure uniformity in the Company's approach to disclosures and reduce the risk of selective disclosures.

#### **5. TYPE OF INFORMATION**

Certain information would be per se material information as per the SEBI Listing Regulations. The details of these disclosures are attached in Annexure 1 to this Policy.

Provided that any confidential information which if disclosed is likely to put at risk the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock exchanges. The details of disclosures to be made based on this Policy are attached in Annexure 2.

#### **6. TIMELINE AND PERSONS RESPONSIBLE FOR DISCLOSURE**

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

The Key Managerial Personnel consisting of the Managing Director(s), the Whole time Directors, the Chief Financial Officer and the Company Secretary of the Company, shall jointly and severally be the authority to determine the materiality of any information, classify it as a

material information, decide the appropriate time at which disclosure is to be filed with the stock exchanges and details that may be filed in the best interest of present and potential investors. The objective of this Policy is to lay down the criteria for determination of materiality of events and information that need to be disclosed to the stock exchanges in a timely manner and other matters related thereto.

The Board of the Company has authorized the Chief Financial Officer and/or the Company Secretary of the Company (“**Authorized Person(s)**”) to determine the materiality of an event or information and to make appropriate disclosure on a timely basis.

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 SEBI 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.

## **7. OBLIGATIONS OF INTERNAL STAKEHOLDERS AND AUTHORIZED PERSON 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 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 Person will then ascertain the materiality of such event(s) or information based on the above guidelines.

- (c) On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosure(s) to the stock exchanges.

#### **8. DISCLOSURES ON WEBSITE**

The Company shall disclose on its website all such events or 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 process followed by the Company.

The Policy and the contact details of the Authorized Person(s) is also required to be disclosed on the website of the Company at <https://www.tbo.com/>.

#### **9. AMENDMENT**

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Companies Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

## ANNEXURE 1

### **Indicative list of events to be disclosed under the Regulations:**

The following events should be disclosed immediately on occurrence. This is an inclusive list and shall act only as a guidance document.

### **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/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

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

- (a) acquiring control, whether directly or indirectly; or
- (b) acquiring or agreeing to acquire shares or voting rights in, a Company, whether directly or indirectly, such that –
  - (i) 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
  - (ii) 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; or
  - (iii) the cost of acquisition or the price at which the shares are acquired exceeds the lower of the following:
    - two percent of turnover, as per the last audited consolidated financial statements of the Company;
    - 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;
    - 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.

Explanation: 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 lower of the following:
    - two percent of turnover, as per the last audited consolidated financial statements of the Company;
    - 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;
    - 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.
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

*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) which are binding and not in normal course of business, revision(s) or amendment (s) and termination(s) thereof.

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 SEBI listing regulations. Fraud/defaults by key managerial personnel or by Company or arrest of key managerial personnel.

6. Fraud/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.
7. Change in Directors, key managerial personnel (Managing Director(s), Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

In case of resignation of the auditor of the Company, 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.

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:

- (a) The letter of resignation along with detailed reasons for the resignation as given by the said director. Names of companies in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- (b) The Independent Director shall, along with the detailed reasons, also provide confirmation that there are no other material reasons other than those provided.
- (c) The confirmation as provided by the Independent Director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clauses (a) and (b) above.

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.

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. Reference to BIFR and 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.
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investor, inclusive of group meetings or group conference calls conducted physically or through digital means.

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

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 & Bankruptcy Code, 2016 (“**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:
    - Pre and Post net-worth of the Company;
    - Details of assets of the Company post CIRP;
    - Details of securities continuing to be imposed on the Companies' assets;
    - Other material liabilities imposed on the Company;
    - Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - Details of funds infused in the Company, creditors paid-off;
    - Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - Impact on the investor – revised P/E, RONW ratios etc;
    - Names of the new promoters, key managerial personnel, 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;
    - 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; and
  - (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 Company:
- (a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and

- (b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

**Note:** If the Company is not in a position to inform the stock exchanges within 24 hours of the decision taken at the Board Meeting, then it shall inform the stock exchanges as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

Further, the following disclosures shall be made within 30 minutes of the outcome of the meeting of the Board where they considered:

- (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; and
- (i) Decision on voluntary delisting by the Company from stock exchange(s)  
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.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company and is not already made available in the public domain by the Company.

19. 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 in respect of (a) search

or seizure, (b) reopening of accounts, (c) investigation under Companies Act, 2013. Other details should be included as per SEBI listing regulations.

20. 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 suspension, imposition of fine or penalty, settlement of proceedings, debarment, disqualification, closure of operations, sanctions imposed, warning or caution, or other similar action(s). Other details should be included as per SEBI listing regulations.
21. Voluntary revision of financial statements or the report of the board of directors of the Company under the Companies Act, 2013.

## ANNEXURE 2

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

The events as mentioned below will be disclosed based on the application of the test of materiality and key principles for determination of materiality, as outlined hereunder:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) 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
- (iii) 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].
- (iv) in a case where the criteria specified in (a),(b) and (c) is not applicable, any event / information which in the opinion of the board of the Company, is considered material and needs disclosure.

### Description of Events:

1. Commencement or any postponement in the date of commencement of any project.
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. Significant capacity addition such as product launch, signing of definitive JDA, JV etc.
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 the normal course of business) and revision(s) or amendment(s) or termination(s) thereof.

6. Disruption of operations of any one or more projects or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Impact on financial, operational, strategic or reputation arising out of change in the regulatory framework.
8. Litigation(s) / dispute(s) / regulatory action(s) that impacts the financial, operational, strategic or reputation of the Company.
9. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving significant guarantees or indemnity or becoming a surety, by whatever name called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key/material licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
14. Any other information/event viz. 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.

Without prejudice to any of the above, the Company may make disclosures of event/information as specified by the Board or Securities Exchange Board of India from time to time.