



# KANKNARRAH COMPANY LIMITED

An ISO 9001:2015, 14001:2015 & OHSAS 18001:2007 Certified Company

## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

### ➤ INTRODUCTION:

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), every listed entity is required to make disclosures of any events or information which, in the opinion of the Board of Directors of the listed entity, is material. Events specified in Para A of Part A of Schedule III are deemed to be material events and a listed entity shall make disclosure of such events. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on the application of the guidelines for materiality, as specified in Regulation 30(4) of the Listing Regulations. As per Regulation 30(4)(ii), a listed entity shall frame a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by its Board of Directors, which shall be disclosed on its website.

In view of the aforesaid, the Board of Directors of Kanknarrah Company Limited (“**Company**”) has approved the “Policy for Determination of Materiality of Events or Information” (“**this policy**”). This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations by way of the SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“**LODR Amendments**”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“**SEBI Circular**”).

### ➤ OBJECTIVE:

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure the Calcutta Stock Exchange Limited.

The objective of this Policy is also to guarantee fair disclosure of material information to the public and to make sure that the disclosure is prompt, correct, relevant and not misleading and that all market participants have simultaneous access to any share price sensitive information.

### ➤ DEFINITIONS:

- a) “**Act**” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- b) “**Board of Directors**” or “**Board**” means the Board of Directors of the Company.
- c) “**Company**” means Kanknarrah Company Limited.
- d) “**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- e) “**LODR Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) “**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Act;



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- g) "Policy" means this policy, as amended from time to time.
- h) "SEBI" means the Securities and Exchange Board of India.
- i) "Rules" means the rules made under the Act.
- j) "Turnover" shall have the meaning assigned to it in Section 2(91) of the Act;

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the LODR Regulations, the Act, the SEBI Act, 1992 ("SEBI Act") and the Securities Contracts (Regulation) Act, 1956 ("SCRA").

## ➤ EVENTS WHICH SHALL BE CONSIDERED DEEMED MATERIAL:

Regulation 30(2) of SEBI LODR prescribes that the event specified in Para A of Part A of Schedule III of SEBI LODR will be deemed to be material events and that the Company shall be required to make disclosure of such events without applying any guidelines/criteria:

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.
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 of the Company 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).



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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.
  - A) 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 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 Company is a party to such agreements:
  - B) 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.
6. Fraud or defaults by promoter, director or 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, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ Restructuring in relation to loans/ borrowings from banks/financial institutions.
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. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
15. 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:
16. The fact of initiation of Forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
17. 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.

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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 listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity
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 the following:
20. Search or seizure; or
21. Re-opening of accounts under section 130 of the Companies Act, 2013; or
22. Investigation under the provisions of Chapter XIV of the Companies Act, 2013
23. 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 listed entity, in respect of the following:
  - i. Suspension;
  - ii. Imposition of fine or penalty;
  - iii. Settlement of proceedings;
  - iv. Debarment;
  - v. Disqualification;
  - vi. Closure of operations;
  - vii. Sanctions imposed;
  - viii. Warning or caution; or
  - ix. Any other similar action(s) by whatever name called;
  - x. Along with the following details pertaining to the actions(s) initiated, taken or orders passed:
24. 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 SHALL BE CONSIDERED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES:**

- 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:
  - (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - (ii) adoption of new line(s) of business; or
  - (iii) closure of operation of any unit, division, or subsidiary (entirety or piecemeal)
- 3) Capacity addition or product launch.
- 4) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- 5) Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.



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- 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) Fraud or defaults by employees of the Company which has or may have an impact on the Company.
- 10) Options to purchase securities including any ESOP/ESPS Scheme.
- 11) Giving of guarantees or indemnity or becoming a surety for any third party.
- 12) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- 13) Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

➤ **ANY OTHER INFORMATION /EVENT VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS:**

Events/ Information that may include but are not restricted to

- a) Emergence of new technologies.
- b) Expiry of patents.
- c) Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof.
- d) 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 the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the SEBI from time to time.

➤ **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

- (i) The Company shall determine an event or information specified in Para B of Part A of Schedule III of the Listing Regulations to be material if:

➤ **Qualitative criteria** would mean:

- (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



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said omission came to light at a later date.

- (c) any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

**Quantitative Criteria** would mean the omission of an event or information, whose value or the expected impact in terms of value, exceeds the least of the following:

- (a) 2% (two percent) of turnover, as per the last audited consolidated financial statements of the Company;
- (b) 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;
- (c) 5% (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.

In terms of the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value/ figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

- (i) Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/ event. In order to determine whether a particular event/ information is material in nature, the 'quantitative' and/ or 'qualitative' factors shall be considered.
- (ii) In a case where the quantitative and qualitative criteria as above are not applicable, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

➤ **TIMELINES FOR DISCLOSURES TO THE STOCK EXCHANGES:**

- (i) The Company shall first disclose to the Stock Exchange(s) all events or information which are material in terms of the provisions of this Policy and Regulation 30 of the Listing Regulations, as soon as reasonably possible and in any case not later than the following:
- a) 30 (Thirty) minutes from the closure of the Board meeting in which the decision pertaining to the event or information has been taken;
- b) 12 (Twelve) hours from the occurrence of event or information, where the event or information is emanating from within the Company;
- c) 24 (Twenty Four) hours from the occurrence of event or information, where the event or information is not emanating from within the Company.
- (ii) Other disclosures with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.
- (iii) In case the disclosure is made after the timelines specified under Regulation 30, the Company shall,



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along with such disclosure provide the explanation for the delay.

## ➤ GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION & ITS TIMELY DISCLOSURE

The occurrence of material events/ information:

- (a) depends upon the stage of discussion, negotiation or approval; and
- (b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/ information.

In respect of the events under (a), the events/information can be said to have occurred upon receipt of approval of the Board e.g. further issue of capital by rights issuance and in certain events/ information after receipt of approval of both i.e. Board 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. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under (b), 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 entity 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 Act and shall also include Promoter of the Company.

## ➤ AUTHORITY:

The Board has authorized Key Managerial Personnel of the Company i.e. Chief Financial Officer or Company Secretary to determine materiality of an event or information for the purpose of making disclosures to stock exchanges. Once 'materiality of the event' is finalized, the authorized personnel(s) shall decide and finalize the information to be provided in the proposed disclosure to be filed with the Stock Exchanges.

The disclosure as finalized shall be submitted to the Stock Exchanges by any of the authorized personnel and thereafter the disclosure shall be uploaded on the website of the Company. The disclosure shall be uploaded on the website of the Company for a minimum period of five years.

## ➤ AMENDMENTS:

The Board of Directors are authorized to make alterations to this policy as considered appropriate from time to time, however such alterations shall not be inconsistent with the provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.



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