



PDS LIMITED

(Erstwhile PDS Multinational Fashions Limited)

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

(Approved in the Board Meeting held on November 11, 2015 and made effective from December 1, 2015 and amended on May 27, 2021)

1. LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of PDS Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), with respect to disclosure of events and information.

Pursuant to the SEBI Listing Regulations issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. The Board shall review, and if found required, may amend this Policy from time to time.

2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

3. DEFINITION

- a. “Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. “Board” means the Board of Directors of the Company.
- c. “Company” means PDS Limited.
- d. “Key Managerial Personnel” mean key managerial personnel as defined under sub-section (51) of Section 2 of the Companies Act, 2013.
- e. “Policy” means this Policy, as amended from time to time.
- f. “SEBI” means the Securities and Exchange Board of India.
- g. “Rules” means the rules made under the Companies Act, 2013.
- h. “Stock Exchange(s)” means BSE Limited and the National Stock Exchange of India Limited, where the Equity Shares of the Company are listed.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the SEBI Listing Regulations.

5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the SEBI Listing Regulations subject to application of guidelines for materiality.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Quantitative Criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- a. exceeds twenty-five per cent of the consolidated gross turnover; or
- b. exceeds thirty-three per cent of the consolidated net worth; or
- c. exceeds thirty-three per cent of the consolidated net profit.

Qualitative Criteria would mean an event/ information:

- 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. 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.

6. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

The Company shall disclose major developments that are 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.

7. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

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

In respect of the events under Serial 7(a) above, the events/information can be said to have occurred upon receipt of approval of 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, pending Shareholder's approval.

In respect of the events under Serial 7(b) above, 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.

8. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)");

- a. Chief Executive Officer.
- b. Chief Financial Officer in consultation with CEO.
- c. Company Secretary in consultation with CEO & CFO.

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Persons should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman before disclosing the information to the Stock Exchange(s).

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

9. DISCLOSURE OF EVENTS /INFORMATION

- a. The disclosures in respect of events and information specified in sub-para 4 of Para A of Part A of Schedule III of Listing Regulations shall be made within the prescribed time as mentioned in SEBI Listing Regulations.
- b. All other events and information falling under Part A of Schedule III of Listing Regulations apart from those specified in (a) above shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than twenty-four hours from the occurrence of event or information. In case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall provide explanation for the delay along with the disclosure.

10. AMENDMENTS AND LIMITATION

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force. In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Further, in the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or any other statutory enactments or rules and SEBI Listing Regulations, the provisions of Companies Act, 2013 or statutory enactments or Rules made thereto, and SEBI Listing Regulations shall prevail over this Policy.

11. EFFECTIVE DATE

The Policy, as approved by the Board of Directors, shall be effective from December 1, 2015.

12. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company at www.pdsltd.com.
