



## PRIME FOCUS LIMITED

### POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

#### 1. **LEGAL FRAMEWORK**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), with respect to disclosure of material events and information.

Pursuant to the LODR Regulations, the Board of Directors approved the “Policy on Criteria for Determining Materiality of Events or Information”. 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 Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“**LODR Amendments**”) notified on June 14, 2023 and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“**SEBI Disclosure Circular**”).

The Board shall review, and if found required, may amend this Policy from time to time.

This Policy has been modified by the Board of Directors at their meeting held on August 11, 2023.

#### 2. **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 to the BSE Limited and the National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”). All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

#### 3. **DEFINITION**

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of Prime Focus Limited, as constituted from time to time.

“**Company**” means Prime Focus Limited.

“**Key Managerial Personnel**” mean key managerial personnel as defined in sub-section (51) of section 2 of the Act;

“**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Act;



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“**Turnover**” shall have the meaning assigned to it in Section 2(91) of the Act;

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“**Policy**” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

“**SEBI**” means the Securities and Exchange Board of India.

“**LODR Regulations**” mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“**Schedule**” means a Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Rules**” means the rules made under the Act.

“**Stock Exchanges**” means BSE Limited and the National Stock Exchange of India Limited where the equity shares of the Company are listed.

Any other term not defined herein shall have the same meaning as defined in the Act, the LODR Regulations, the SEBI Act, 1992 (“**SEBI Act**”) or any other applicable law or regulation to the extent applicable to the Company.

#### **4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

Events / information shall be considered as Material if it meets any of the following criteria:

**Qualitative criteria** would mean an event/ information:

- (a) the event or information is in any manner unpublished price sensitive information;
- (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) 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; and
- (d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.



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**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean 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% (two percent) of turnover, as per the last audited consolidated financial statements of the listed entity;
- (ii) 2% (two percent) of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
- (iii) 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 listed entity;

In terms of the SEBI Disclosure Circular, 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.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, 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.

### **5. DISCLOSURES OF EVENTS OR INFORMATION**

- (a) The Company shall make disclosure of all such events and/or information which are specified in Para A of Part A of Schedule III to the LODR Regulations upon their occurrence to the Stock Exchanges without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.
- (b) The Company shall make disclosure of the all such material events and/or information specified in Para B of Part A of Schedule III to the LODR Regulations upon their occurrence to the Stock Exchanges subject to application of guidelines for materiality, as provided in clause 4 of this policy and as set out under the LODR Regulations.
- (c) Without prejudice to the above, the Company may make disclosures of event/information as specified by SEBI from time to time.
- (d) In case of any amendments/ updations in the list of events/ information specified in Para A or Para B of Part A of Schedule III of the LODR Regulations, the above list of material information/ events shall stand accordingly modified.



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### **6. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

The Managing Director, Chief Executive Officer and Chief Financial Officer of the Company shall severally have the authority to determine materiality of any event or information and make the disclosures of such material event or information to stock exchange(s).

The Company Secretary of the Company shall have the authority of making the disclosures of such material event or information to stock exchange(s), subject to the provisions of this Policy.

As required by the Regulations, the Company shall provide to the stock exchange(s), the contact details of the above named persons and update the same from time to time. Their details shall also be provided on the Company's website.

### **7. AMENDMENTS**

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

### **8. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company.

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