GANESHA ECOSPHERE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

(approved & adopted on 11.02.2016)
(last amended on 03.08.2023)

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I. BACKGROUND

The Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company are material. It is also incumbent upon the Company to frame a policy for determination of materiality which should be duly approved by the Board of Directors ("**Board**") of the Company and shall be disclosed on the Company's website.

In light of the foregoing requirements, the Board of the Company at their meeting held on 11th February, 2016, approved this policy for determination of materiality and disclosure of events or information pursuant to the requirements of Regulation 30 of Listing Regulations.

II. DISCLOSURE OF MATERIAL EVENT OR INFORMATION:

1. Events specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) are deemed to be material events and the Company shall disclose all such events without applying any guidelines/ criteria for materiality.

2. Events specified in Para B of Part A of Schedule III of the Listing Regulations (as applicable from time to time) shall be disclosed by the Company subject to application of guidelines/ criteria for materiality.

3. The Company shall disclose any other event/ information viz. 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.

4. Events/ information with respect to subsidiaries which are material for the Company in accordance with Listing Regulations, shall also be disclosed to the Stock Exchanges.

5. The Company shall disclose all further material developments, with respect to the disclosures referred to in this Policy, on a regular basis, till the event is resolved/ closed, with relevant explanations.

6. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the Listing Regulations, but which may have material effect on the Company, the Company is required to make adequate disclosures in regard thereof.

7. In case an event or information is required to be disclosed by the Company in terms of the Policy, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company will also disclose to the Stock Exchanges such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

III. GUIDELINES/ CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

The guidelines/ criteria for determining materiality of events or information mentioned in **Annexure** are as under:

Qualitative criteria would mean an event/ information:

(a) the omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b) the omission of which is likely to result in significant market reaction if the said omission came to light at a later date;

Quantitative criteria would be where the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

(1) 2% of turnover, as per the last audited consolidated financial statements of the Company;

(2) 2% 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) 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;

In case where the criteria specified above 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.

IV. TIMELINES FOR DISCLOSURE OF MATERIAL EVENTS/INFORMATION:

1. All events/information identified as material in line with the Regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

   (a) 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;

   (b) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

   (c) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

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

3. In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

The timing of occurrence of an event and / or availability of information would be decided on the basis of facts and circumstances prevailing at that time, as per the following guidance:

a) In the matters involving negotiation, discussion or approval etc., the events or information can be said to have occurred upon receipt of approval by the Board and / or the shareholders, as the case may be.

If in-principle approval or approval to explore (which is not final approval) is given by the Board, disclosure to the Stock Exchanges will not be required under the Policy.

b) In other matters, where such negotiation, discussion or approval etc. are not involved (such as natural calamities, strike, lock-out, etc.), the events or information can be said to have occurred, when the Authorised Person, referred to in Clause (V) of the Policy, becomes aware / or is made aware of such event or information.

V. PERSON RESPONSIBLE FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND OF MAKING DISCLOSURES TO STOCK EXCHANGE

The following KMP are severally authorized by Board of Directors for the purpose of determining materiality of an event or information and making disclosures to Stock Exchange(s) **("Authorized Person(s)")** in this regard**:**

a. Managing Director
b. Chief Financial Officer
c. Company Secretary

If any Director or employee of the Company or its subsidiary becomes aware of any activity / action that leads or may lead to occurrence of any material event or information, such Director or employee should report such potential material event or information to the Authorised Person, thereby enabling them to determine materiality of the said event or information for disclosing to the Stock Exchanges.

All shareholders, Promoter and Promoter group entities, related parties, Directors, Key Managerial Personnel and employees of the Company or of its subsidiary or associate company, who are parties to the agreements specified in Clause 5A of Para A of Part A of Schedule III of the Regulations, shall inform the Authorised Person about the agreement to which the Company is not a party, within two working days of entering into such agreement.

The materiality of events outlined above is 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 Person should exercise his/her own judgement while assessing the materiality of events associated with the Company and will ensure that adequate disclosure of such event/ information are made to the Stock Exchange(s) within the timeline prescribed under the Listing Regulations.

The contact details of the Authorised Person will be separately disclosed to the Stock Exchanges and uploaded on the Company's website www.ganeshaecosphere.com

VI. DISCLOSURE BY THE COMPANY

This Policy shall be disclosed on the website of the Company and all the material events and information disclosed to the Stock Exchanges in terms of the Policy will also remain posted on the website for a minimum period of five years from the date of such posting, after which the same will be deleted / removed from the website.

VII. MODIFICATION OF THE POLICY

In case of any subsequent amendment to the Regulations which makes any of the provisions in the Policy inconsistent, the provision of the Regulations shall prevail.

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ANNEXURE

Events which shall be disclosed upon application of Quantitative criteria as set out in point III after the application of the Qualitative criteria:

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) and 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. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

10. Frauds or defaults by employees of the Company which has or may have an impact on the Company.

11. Granting of options to purchase securities under ESOP/ESPS Scheme.

12. Giving of guarantees or indemnity or becoming a surety for any third party.

13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority