



*Goldiam International Ltd*

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

# **Determination of Materiality of Event(s) /Information and Dissemination Policy**

Effective from December 1, 2015

(Last modified on August 8, 2023)



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## 1. Introduction

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations 2015”) was notified on September 2, 2015. These regulations shall come into force on the ninetieth day from their publication in the Official Gazette. The regulations seek to consolidate and streamline the provisions of existing listing agreements for different segments of the capital market. These regulations have been structured to provide ease of reference by consolidating into one single document across various types of securities listed on Stock Exchanges.

In pursuance of the aforementioned SEBI LODR Regulations 2015, the Board of Directors (the “Board”) of Goldiam International Limited (the “Company” or “GIL”), has adopted a policy on determination of materiality of any event and/or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (The Policy). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

## 2. Objective

- 2.1 To comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- 2.2 To lay the principles for determining materiality of events/information which require disclosure to the Stock Exchanges where the specified securities of the Company are listed;
- 2.3. To lay the principles for making timely and adequate disclosure of material events/information so as to enable the investors to take well informed decisions; and
- 2.4. To ensure uniformity in the Company’s approach towards making disclosures of materiality of events/ information.

## 3. Definitions

- 3.1 The words and expressions used but not defined herein shall have the same meaning as assigned to those words and expressions under the SEBI Listing Regulations. If any words and expressions is/are not defined in the Listing Regulations such words and expressions shall have the same meaning as assigned to those words and expressions under the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956 or any other applicable laws or regulations, as the case may be.



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**Relevant** Employees shall encompass the head of the departments of the Company and one level below such head of departments and shall include employees of the Company who deals with or comes into possession of potential material events or information in the course of the performance of his/her duties.

#### **4. Authorised Persons**

- 4.1 Pursuant to Regulation 30(5), the Board of Directors have authorised Key Managerial Personnel of the Company who presently are the Executive Chairman, Managing Director, Executive Director, the Chief Financial Officer and the Company Secretary (“Authorised Persons”), for the purpose of determining materiality of an event or information and making disclosure to stock exchanges. The materiality of the event or information will be decided in consultation with Executive Chairman and Senior Management Personnel or persons connected with the event or information.
- 4.2 The Authorised Persons shall have the following powers and responsibilities for determining material events or information within the Company:
- 4.3 To review and assess the materiality of an event that may qualify as ‘material’ and may require disclosure, on the basis of facts and circumstances prevailing at that point in time. The disclosure shall be finalised in consultation with the Executive Chairman and in his absence, the Managing Director/Executive Director. For this purpose, the relevant details of event or information shall be sent to the Authorised Persons promptly or as soon as practicable to enable its disclosure to the stock exchanges.
- 4.4 To make required disclosures within the stipulated time of actual occurrence of an event or information, after ascertaining facts.
- 4.5 To disclose material developments on a regular basis, till such time the event or transaction is resolved/closed, with relevant explanations.
- 4.6 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 Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- 4.7 To disclose material events or information with respect to the subsidiaries of the Company.
- 4.8 Any decision taken by them jointly shall be valid and binding on the Company. Their contact details shall be disclosed to the stock exchange and also be placed on the Company’s website.



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However, wherever required, and considering any specific/ significant circumstances including business exigency/calamities which may arise, either simultaneously or subsequently, approval of the Chairperson of the Board may be taken for disclosing any such event or information.

The above authorised person are also empowered to seek appropriate counsel or guidance as and when deemed necessary.

## 5. Applicability and effective date

This Policy applies to:

5.1 All events/information stated in Para A of Part A of Schedule III to the SEBI Regulations (as listed in Annexure I to this Policy) are deemed to be material.

5.2 In respect of events/information stated in Para B of Part A of Schedule III to the SEBI Regulations (as listed in Annexure II to this Policy), the Authorised Officer shall consider the following criteria for determination of materiality of events/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. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - ii. 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. 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.
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) 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 listed entity, the event or information is considered material.

5.3 In respect of events/information of the Company other than those stated in Para A & Para B of Part A of Schedule III to the Listing Regulations, the Authorised Officer shall consider the following criterion for determination of materiality of events/information:

In addition to above quantitative criteria the following factors shall also be considered while determination of materiality of event/ information:



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- a. Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
  - b. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
  - c. Whether the event/ information is in the normal course of business or not; or
  - d. Whether the event/ information represents a significant shift in strategy; or
  - e. Any other factor which is pertinent in the opinion of Authorised representative of the Company.
- 5.4 For events/information with respect to any subsidiary of the Company excluding events/information as appearing in Annexure II would be considered material for the Company if the impact of the event/ information on the Company, whose value or the expected impact in terms of value on the Company, exceeds the lower of the following:
- i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - ii. 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. 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.

The above thresholds shall be determined based on last audited consolidated financial statements of the Company.

In addition to above quantitative criteria the following factors shall also be considered while determination of materiality of event/ information:

- a. Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
- b. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
- c. Whether the event/ information is in the normal course of business or not; or
- d. Whether the event/ information represents a significant shift in strategy; or
- e. Any other factor which is pertinent in the opinion of Authorised representative of the Company.

For events/information with respect to any subsidiary of the Company as appearing in Annexure II would be considered material for the Company if the impact of the event/ information on the Company, whose value or the expected impact in terms of value on the Company, exceeds the lower of the following:

- i. two percent of turnover, as per the last audited consolidated financial statements of the



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listed entity;

- ii. 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. 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.

The above thresholds shall be determined based on last audited consolidated financial statements of the Company.

## 6. Disclosure of events/ information to the stock exchanges:

6.1 The Company shall disclose all events or information which are material in accordance with the Policy 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 listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

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:

6.2 Provided further that in case the disclosure is made after the timelines specified above of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

6.3 The Company shall disclose to the stock exchange(s) material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.

Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of any event/ information as specified by the Board from time to time.

## 7. Procedural Guidelines for determination of materiality of events/ information

In order to endure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the CFO, Head of the Departments who are responsible for relevant areas of the Company's **operations** (Responsible Officers) must report to the Executive Chairman/ Managing Director, and Company Secretary any event /



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information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event / information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event / information, the Company Secretary/CFO will

- Review event / information and to take whatever steps necessary to verify its accuracy;
- Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- Report the matter to the Executive Chairman/ Managing Director or Director that event / information is material and requires disclosure under Regulation 30 of the Listing Regulations.

Where the Executive Chairman/ Managing Director or CFO or Company Secretary is not certain about materiality of event / information, they may refer matter for external legal advice.

The procedure to be followed in relation to the lodgement of announcement of material event / information is as follows:

- **Prepare announcement to the Stock Exchanges:** If the event / information is material, the Company Secretary/CFO will prepare announcement to the Stock Exchanges which is factual and expressed in clear manner.
- **Lodge Announcements:** The Company Secretary/CFO on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.
- **Post announcement on website:** After lodgment of the announcement with the Stock Exchanges, the Company Secretary/CFO will arrange to place it on the website of the Company.
- Any disclosure of events or information which have been submitted by the Company to the Stock Exchange(s) under Regulation 30 of the Listing Regulations and under this Policy will be available on the website of the Company for a minimum period of five years from the date of its disclosure.



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## **8. Policy review**

8.1 In case of any subsequent changes in the provisions of the Regulations or any other regulations which makes any of the Clauses/provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the Clauses/provisions in the Policy would be deemed to be modified accordingly. The Board also, at its discretion, has the power to review and revise the Policy.

## **9. Communication of this Policy**

This Policy shall also be posted on the web-site of the Company.

## **10. Amendment**

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors 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.





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## Annexure I

### Material events/ information to be mandatorily disclosed to the stock exchange(s)

Following is the List of events/information as specified under Para A of Part A of Schedule III of the Listing Regulations:

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 listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or
- (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –
  - (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (iii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2) - 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 listed entity; 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 threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.



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Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.]

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).

Explanation: For the purpose of this events\information, the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or to any fixed deposit programme or to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad.

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 by the Company from stock exchange(s).

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



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(5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity 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 listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation(1): For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

Explanation(2) - For the purpose of this sub-paragraph, Normal course of Business” shall mean all those transactions, events, and activities that satisfy the below attributes:

- i. Transactions that are in consonance with current business operations of the Company.
- ii. The transactions, events, or activities are conducted on a frequent or recurring basis as a part of regular operations.
- iii. The terms of the transactions, events, or activities are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.

Note (1): Giving guarantees, security, letter of credit or any other thing, by whatever name called, to any entity other than wholly owned subsidiary/Subsidiary/associate company would not be considered as a normal course of Business.

Note(2): Entering into any non-compete arrangement which could disallow the listed entity to perform any business, would not be considered as normal course of business.

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, 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.



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- 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of independent Director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
  - a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause a. above
- 7C. 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 listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the listed entity 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.].
9. One time settlement with a bank.
10. Winding-up petition filed by any party / creditors.



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11. 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.
12. Proceedings of Annual and extraordinary general meetings of the Company.
13. Amendments to memorandum and articles of association of Company, in brief.
14. Schedule of Analyst or institutional investor meet [at least two working days in advance (excluding the date of the intimation and the date of the meet)] and presentations on financial results made by the Company to analysts or institutional investors.



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## Annexure II

Following is the List of events / information to be disclosed to the stock exchange(s) based on Materiality 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 listed entity:
  - 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.

Explanation(1) : For orders and contracts referred above “Normal course of Business” shall mean all those transactions that satisfy the below attributes:

- i. The value of transaction or set of transactions does not exceed Rs. \_\_ crores
  - ii. Transactions that are in consonance with current business operations of the Company.
  - iii. The transactions are conducted on a frequent or recurring basis as a part of regular operations.
  - iv. The terms of the transactions are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.
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 listed entity.
  9. Frauds or defaults by employees of the listed entity which has or may have an impact on the Listed entity.



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10. Options to purchase securities including any ESOP/ ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety by whatever named called 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.”

*Explanation: For the purpose of determination of material events/ information, the value or expected impact in terms of value for each event or transaction shall be compared with the quantitative threshold specified in this policy.*