

## **POLICY ON DETERMINATION OF MATERIALITY**

*[Pursuant to Regulation 30 of Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

### **POLICY STATEMENT**

In an endeavor to promote transparency and to enable the investor to take well-informed decision thereby providing a vision to the listed entities to clearly outline a methodology for determination of material events, the Securities and Exchange Board of India (hereinafter referred as “SEBI”) had notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that cast a responsibility on every listed company to have a policy on determination of material events and disclosures thereof.

The Policy outlines the guidelines to be followed by Paul Merchants Limited (hereinafter referred as “the Company”) for the consistent, transparent, regular and timely public disclosure and dissemination of material events/information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and strives to disseminate factual, timely and accurate disclosures in terms of applicable statutes.

### **OBJECTIVE OF POLICY**

- The policy has been framed with the objective of providing adequate and appropriate disclosures that are consistent with the facts of the material events.
- While making any disclosures, it shall be company’s endeavor to refrain from misrepresentation and to ensure that the information provided to the Stock Exchange(s) and investors is not misleading.

- The Company shall ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the Company, in the following manner:
- (i) Information shall be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure;
  - (ii) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by users;
  - (iii) Minutes of the meeting shall be maintained explicitly recording dissenting opinions, if any.

The policy is intended to ensure the determination of materiality of an event/information and reporting of transactions thereof. The policy regulates:

- the events prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- the aspects for determining the materiality of the events/information;
- the procedure governing the disclosure of the events that are deemed to be material;
- the decisions pertaining to the instances when the material events have occurred and the time frame within which the information is to be disclosed.

## DEFINITIONS

- i. **“Company”** means Paul Merchants Limited;
- ii. **“Board”** means the board of directors of Paul Merchants Limited;
- iii. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iv. **“Policy”** means this Policy on Determination of Materiality of events/information of Paul Merchants Limited;
- v. **“Mainstream Media”** shall include print or electronic mode of the following:
  - a) Newspapers registered with the Registrar of Newspapers for India;

- b) News channels permitted by Ministry of Information and Broadcasting under Government of India.
  - c) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
  - d) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;]
- vi. **“SEBI Circulars”** means the Circular issued by SEBI bearing Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015, Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/25 on the Industry Standards Note on Regulation 30 of the LODR Regulations dated February 25, 2025. Accordingly, PML “Policy for Determination of Materiality of Events & Information and their Disclosure”, have been suitably amended, to be effective from 29.03.2025.
- vii. **“Schedule III”** means Schedule III of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- viii. **“Stock Exchange(s)”** means BSE Limited (“BSE”), where the equity shares of the Company are listed.
- ix. **“Value or the expected impact in terms of value”**: In computing the “expected impact in terms of value” of an event/information, the Company should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter). While undertaking the assessment of the “value” and “expected impact in terms of value”, the Company shall place reliance on the principles for measurement set out under the applicable accounting standards (such as the PPR test formulated basis the principles for measurement set out under Ind AS 37), so as to ensure consistency between the disclosures made to the stock exchanges, and the disclosures made in the financial statements.

Any other term not defined herein shall have the same meaning as ascribed to it under the Companies Act, 2013, Listing Regulations framed by the Securities and Exchange Board of India read with Industry Standard dated February 25, 2025 or any other relevant Regulation/Legislation applicable to the Company and any amendment in the said Acts/Regulations at any point of time in future shall be automatically deemed to be incorporated herein.

#### **INTERPRETATION:**

In this document, unless the contrary intention appears:

- a) The singular includes the plural and vice versa;
- b) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

#### **REFERENCES:**

Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

#### **COMPLIANCE OFFICER:**

The Company Secretary of the Company shall be the Compliance Officer of the Company.

#### **EFFECTIVE DATE:**

The Board of Directors of the Company, at its Meeting held on 09.11.2015 had adopted this Policy for Determination of Materiality of an Event/Information with the intention to define the Company's responsibilities towards adequate disclosure of material events and price sensitive information to the Stock Exchanges and on the website of the Company. The Policy has been reviewed and revised by the Board of Directors of the Company at its various meetings to align with the amended provisions of the SEBI Listing Regulations with latest revision on March 28, 2025.

## **MATERIALITY**

In a business parlance, **Materiality** is a concept or convention within auditing, accounting and securities regulation relating to the importance/significance of an amount, transaction, or discrepancy.

### **BASIC CRITERIA FOR DETERMINING MATERIALITY**

1. Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations shall be considered material and will be disclosed without any application of the guidelines for materiality.
2. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria. The materiality of events/ information shall be determined on case-to-case basis depending upon specific facts & circumstances relating to respective information/event. The Company shall consider the criteria as specified in Regulation 30(4)(i) of SEBI Listing Regulations read over with SEBI Circular on the Industry Standards Note on Regulation 30 of the LODR Regulations dated 25.02.2025, as amended from time to time, for determining the materiality of the events
3. In case where the criteria specified as 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

### **AUTHORITY AND RESPONSIBILITY**

The Policy has been reviewed and approved by the Board of Directors in its various meetings, pursuant to the Listing Regulations.

The Compliance Officer and Chief Financial Officer, as designated by the Board of the Company in this behalf, shall be responsible for determining the materiality of an event/information and to deal with the dissemination of information and disclosure of any material event or information covered under this Policy to the Stock Exchange, where the

shares of the Company are listed, as well as hosting the said event or information on the website of the Company simultaneously.

#### **DISCLOSURES COVERED BY THIS POLICY:**

The Company shall make timely disclosure of events which are material in nature in terms of this Policy to the stock exchange where the shares of the Company are listed. The events/information are broadly classified as follows:

- (a) Events/information as mentioned in Para A of Part A of Schedule III of the Listing Regulations, as amended from time to time, read over with relevant SEBI Circulars, shall be deemed to be material and the company shall make disclosures of such events to the Stock Exchanges as per the format prescribed under the said circulars and within the time period stipulated under the Listing Regulations read over with relevant SEBI Circulars, as amended from time to time;
- (b) The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, as amended from time to time, based on application of the guidelines for materiality, as specified in the Listing Regulations and this Policy. Based on the materiality, the Company shall make disclosure of such events to the Stock Exchanges as per the format prescribed under the Listing Regulations and the relevant SEBI circulars, as amended from time to time;
- (c) Further, any event or the information which comes in the knowledge of the Compliance officer or Chief Financial Officer, though not covered above but has material effect on the operations of the Company will be adequately disclosed to the Stock Exchange. Compliance officer and Chief Financial Officer of the Company shall be responsible for determining the materiality of such events in consultation with the Managing Director of the Company. In the event the said officers of the company, as authorized by the Board in this behalf are not sure about whether a particular event constitutes a material event or not for the Company in consultation with the Managing Director of the Company, they may consult the Board of Directors or Audit Committee in order to clarify the situation.

## **MANNER OF DISCLOSURES OF MATERIAL INFORMATION**

The disclosure and communication of the material events and information shall be addressed in a clear and precise manner and the details shall be included in the light of Listing Regulations and relevant SEBI Circulars, as amended from time to time.

The access to all the disclosures made by the Company to stock exchange(s) will also be made available on the website of the Company at [www.paulmerchants.net](http://www.paulmerchants.net). Any material developments in the events disclosed to the stock exchange shall also be disclosed in the requisite time frame.

## **PROCESS OF DISCLOSURES OF MATERIAL INFORMATION**

In case any Functional Head becomes aware of any material event/information about the Company, then as per Schedule III of the Listing Regulations, the said Functional Head shall inform the Compliance Officer of the Company.

If the said event/information is covered under Para A of Part A of Schedule III to the Listing Regulations then the Compliance Officer shall take all requisite measures to disseminate the information to the Stock Exchanges within the stipulated time period.

If the said event/information is covered under Para A of Part A of Schedule III to the Listing Regulations then the Compliance Officer and Chief Financial Officer of the Company would determine, either of their own or in consultation with the Managing Director, Audit Committee or the Board of Directors of the Company, as the case may be, whether the said event/ information is required to be disclosed to the Stock Exchange or not, in terms of the criteria laid down in this Policy read with the Listing Regulations.

The Company shall also disclose all events or information with respect to the subsidiaries which are material for the listed entity

## **TIMELINE FOR DISCLOSURE OF MATERIAL EVENTS**

### **DISCLOSURE OF EVENTS/INFORMATION:**

- The company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:-

- (i) thirty minutes (30 mins) from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting;

Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- (ii) twelve hours (12 hours) from the occurrence of the event or information, in case the event or information is emanating from within the company;
- (iii) twenty-four hours (24 hours) from the occurrence of the event or information, in case the event or information is not emanating from within the company.

Provided that in case any timeline is amended by SEBI vide any amendment made to the LODR Regulations or the Industry Standards on Regulation 30 of LODR Regulations, the timeline so amended shall be deemed to be incorporated herein.



Provided that if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the company in terms of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours (72 hours) of receipt of the notice by the company;

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines

Appropriate systems shall be implemented by the Company for prompt internal reporting of events and training sessions at yearly intervals shall be conducted by the Company in order to ensure awareness within the system, of the requirement under Regulation 30 of the LODR Regulations.

The timelines stipulated in this policy for making disclosures to the stock exchanges would begin once an officer of the listed entity has become aware of the occurrence of an event / information, through credible and verifiable channels of communication. The term 'officer' shall have the same meaning ascribed to it under section 2(59) of the Companies Act, 2013

**Explanation:** Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

- **REPLY TO THE CLARIFICATIONS SOUGHT BY STOCK EXCHANGES:** In respect of any clarification sought by the Stock Exchanges in relation to any events or information disclosed, the Compliance Officer of the Company will furnish reply to the stock exchange immediately and not later than 5 working days or within the time specified by the Exchange.

## **DELAY IN DISCLOSING MATERIAL INFORMATION**

In certain unavoidable circumstances or for maintaining confidentiality for a limited period of time till the transactions gets finalized, the Company might delay disclosing the material event/information to the stock exchange, in that case the disclosure regarding delay in disclosing the material event/ information along with the reasonable explanation and clarification will be disseminated to the stock exchange by the Compliance Officer of the Company.

It shall be a defense for non-compliance with the timelines prescribed above, if there is any reasonable delay on account of (i) Force majeure events (ii) Time taken for prima facie assessment of materiality for certain relevant events (such as orders, fraud, winding-up petitions, action initiated, claims made against company etc.). (iii) Information/event related to a subsidiary/ director/ KMP/ SMP/ promoter (where the company is not directly involved), etc. In such event, then the company shall along with such disclosure provide the explanation for the delay.

Further, while considering whether a matter involving directors, key managerial personnel, senior management, promoter or subsidiary requires disclosure, the Company will restrict itself to disclosing such matters which are in relation to the Company and have an impact on operations, financial position or reputation of the Company.

## **REVIEW OF THE POLICY**

This policy shall be subject to review by the Board as may be deemed necessary and in accordance with any regulatory amendments. This Policy has been formulated as per prevailing provisions of the Listing Regulations. However, if due to subsequent changes therein, a particular provision or part hereof becomes redundant or is inconsistent with the Listing Regulations, in such case the applicable provisions of the Listing Regulations shall prevail.

Sd/-

Chairman

Last reviewed and Amended as on 28-03-2025