

# Angel One Limited

## **POLICY FOR DETERMINING MATERIALITY OF ANY EVENT OR INFORMATION**

*(Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

<i>Particulars</i>	<i>Date</i>	<i>Version</i>
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## **POLICY ON DETERMINATION OF MATERIALITY OF ANY EVENTS OR INFORMATION**

### **1. PREAMBLE:**

The Company's securities are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and therefore, Company is required to comply with the continuous disclosure obligations imposed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 which is amended from time to time (hereinafter referred to as "**SEBI Listing Regulations**").

In accordance with Regulation 30(4) of the SEBI Listing Regulations, Angel One Limited (the "**Company**") is required to frame a policy for determination of materiality for disclosure of events or information to the stock exchanges which is required to be adopted by the Board of Directors of the Company ("**Board**") and disclosed on the website of the Company. Accordingly, the Board has formally adopted the following Policy on determination of materiality of any event or information (the "**Policy**") for ensuring compliance with the SEBI Listing Regulations.

### **2. OBJECTIVE:**

The objective of the Policy is as follows:

- a. To determine the materiality of events or information of the Company and the disclosure of such events or information to the stock exchanges in compliance with the SEBI Listing Regulations;
- b. To ensure good corporate governance;
- c. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information;
- d. To protect the confidentiality of Material/Price sensitive information within the context of the Company's disclosure obligations.

### **3. DEFINITIONS:**

In this Policy, unless the context otherwise requires, the terms defined herein shall bear the meanings assigned to them below, and their cognate expressions shall be construed accordingly.

"**Act**" means the Companies Act, 2013 (and the rules made thereunder), as amended and the Companies Act, 1956 to the extent applicable.

"**Company**" means Angel One Limited

"**Board**" means the Board of Directors of the Company

"**Capacity addition**" shall mean addition or set-up of new production line(s).

**"Compliance officer"** shall mean the Company Secretary of the Company.

**"Policy"** means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time by the Company.

**"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 5** of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.

**"Disposal"** shall mean transfer or relinquishment of property.

**"Key Managerial Personnel"** means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013.

**"Listing Regulations" or "SEBI Listing Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, amendments, clarifications, Industry Standards, circulars or re-enactment thereof;

**"Last Audited Consolidated Financial Statements"** the reference to last audited consolidated financial statements in this Regulation shall mean the annual audited consolidated financial statements of the listed entity.

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

**"Net Worth"** shall have the meaning assigned to it in Section 2(57) of the Companies Act, 2013.

**"Product launch"** shall mean launch of new brands or new product categories and shall not include launch of new variants in existing brand or product categories.

**"Promoter"** means a promoter as defined under clause (oo) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**"Subsidiary"** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

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

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

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992,

Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

#### **4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

The Company shall consider the criteria specified in clause (i) of Regulation 30(4) of the SEBI Listing Regulations for determining the materiality of events or information for the disclosure of events specified in Para B of Part A of Schedule III of the SEBI Listing Regulations, in addition to the disclosure of events specified in Para A of Part A of Schedule III that are deemed to be material.

#### **5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

1. The Company shall consider the following criteria for determination of materiality of events or information, as the case may be:
  - (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

*Note: "significant market reaction" Significant market reaction may be assessed against scrip price, as per the parameters specified by the stock exchange(s).*

- (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following (hereinafter referred to as Quantitative Materiality parameters):
  - i. two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - ii. two percent 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;
  - 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 Company.

'Expected impact in terms of value' of an event/information, shall be computed in a manner as to the Company should, where applicable, shall 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 assessing whether an event exceeds the quantitative materiality thresholds, Company shall take guidance from the industry standards on which of the relevant and appropriate parameter is to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III of SEBI Listing Regulations.

In terms of the SEBI Master Circular with respect to the Disclosure of events/information, 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 timelines specified in the SEBI Circulars issued from time to time. Quantitative criteria would be calculated based on the latest audited consolidated financial statements of the Company.

- (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 Company, the event or information is considered material.
2. In addition to above quantitative criteria the following Qualitative 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 the Authorized Officer of the Company.

Explanation: If there is any inconsistency in point ii & point iii above for determining materiality, point ii (quantitative criteria) will prevail.

**Table A**

<b>Event or information related to</b>	<b>Events / Information enlisted in</b>	<b>Parameters to be applied for determining materiality</b>
Angel One Limited	Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations	Deemed material

Angel One Limited	Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations	Factors prescribed in Clause 1 and clause 2.
Angel One Limited	Items other than Para A & Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations	Factors prescribed in Clause 1c and Clause 2.
Subsidiary of Angel One Limited	Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations	Deemed Material or factors prescribed in Clause 1 or Clause 2, depending upon case to case basis
Subsidiary of AngelOne Limited	Para B of Part A Schedule III of Regulation 30 of the SEBI Listing Regulations	Factors prescribed in Clause 1c.

**6. PROCEDURAL GUIDELINES FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGES:**

In order to ensure that the Company complies with the disclosure obligations under Regulation 30 of the SEBI Listing Regulations, the Board has established an internal system for reporting any event or information which may require disclosure so that the said event or information, as the case maybe, can be properly assessed and a decision can be made regarding its disclosure to the stock exchanges. Under the system, the following KMPs are hereby severally authorized by the Board 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. Managing Director (MD)
- b. Chief Financial Officer (CFO)
- c. Company Secretary (CS)

The materiality of events outlined above are indicative in nature. In case the relevant Authorized Person is not certain regarding the materiality of an event or any information, he/she may seek external legal advice from the professionals.

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

The relevant Authorized Person would follow the disclosure process and timelines as provided in Regulation 30 of the SEBI Listing Regulations for disclosure of the material event or information, i.e. the disclosure(s) as required under the Listing Regulations read with the SEBI Master Circular will be made in following manner:

- 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 considered.

If the meeting of the board of directors closes after normal trading hours but more than three hours before the beginning of the next normal trading hours, then 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 of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of the meeting for the day on which it has been considered.

- 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:

Provided that if there is a claim against a Company under any litigation or dispute, other than tax litigation or dispute and if all the relevant information is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (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 of receipt of the notice by the Company.

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.

However, Company can provide defense for non-compliance with the timelines specified above if there is any reasonable delay on account of:

- a) a force majeure event,
- b) time taken for completion of prima facie assessment of materiality for certain relevant events (such as orders, fraud, winding-up petitions, action initiated, claims made against listed entity, etc.), or
- c) information / event relating to subsidiary, director, key managerial personnel, senior management or promoter (where the company is not directly involved), etc.



Even in such events, explanation for the delay should be provided along with the disclosure of the event / information

Without prejudice to the generality of provisions of this Policy, the Company may make additional disclosures of any event/ information as it may deem fit from time to time

Explanation I: Disclosure of an event under Para B of Part A of Schedule III would be required to be made if the gross amount involved in such event exceeds the materiality threshold. However, Company may disclose details of indemnity and insurance claims which could mitigate the expected impact, if any, in respect of such event to provide more context while making the disclosure.

Explanation II: The timelines stipulated above for making disclosures to the stock exchanges would begin once an officer of the Company becomes aware of the occurrence of an event / information, through credible and verifiable channels of communication.

## **7. Powers and Responsibilities of the Authorized Person:**

The Authorized Persons are also empowered to:

- a) seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- b) call for information from all its internal stakeholders including from its subsidiaries.

The Authorized Person(s) shall have the following powers and responsibilities for determining the material events or information:

- a) To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b) To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved / closed, with relevant explanations.
- d) 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 Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such event or information.
- e) To disclose all events or information with respect to the subsidiaries which are material for the Company.

However, wherever required, and considering any specific/ significant circumstances including business exigency/ calamities which may arise, either simultaneously or subsequently, approval of the Board /

Executive Committee or Chairperson of the Board may be taken for disclosing any such event or information.

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 be placed on the Company's website.

**8. Mechanism to be adopted for identifying and reporting potential material event/information by relevant employees.**

1. During performance of one's role, the Relevant employee/(s) shall be responsible for identifying pertinent events/information as mentioned in Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations which has potential to be classified as material events/information as per Table A of this policy.

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 as mentioned in clause 1 & 2 of Point 5 specified in this policy.

2. Upon identification of potential material events/information, the relevant employee shall promptly report the details of such potential material events/information to the authorized persons.
3. Any other event, even if not covered under the Listing Regulations but is potentially of price sensitive nature, must also be informed for further evaluation, to the authorized persons.
4. After evaluation, the authorized persons shall, if required issue a suitable disclosure to the Stock Exchanges.

Mode of Communication: The aforesaid details can be submitted to the authorized persons by the Relevant Employee using written communication methods such as emails, internal memos, or any other appropriate means.

The details so submitted shall be authentic and comprehensive to enable the authorized Person officers to make informed decision/ take appropriate actions. The Relevant Employees should exercise necessary diligence to ensure confidentiality of the details being submitted/so submitted to the authorized persons.

The Relevant Employees may approach the authorized persons for seeking guidance/clarity to ensure effective implementation of this policy.

**8. PROCEDURE TO BE FOLLOWED IN RELATION TO THE DISCLOSURE OR ANNOUNCEMENT OF MATERIAL EVENT OR INFORMATION**

The following procedures shall be followed for the disclosure or announcement of material event or information:

**(a) Prepare draft disclosure or announcement to the stock exchanges:**

If the event or the information is material, the Company Secretary will prepare a draft announcement to the stock exchanges based on the facts, describing these clearly, and shall obtain the approval of the Managing Director or the Chief Financial Officer of the Company.

**(b) Lodgment of disclosure or announcement:**

The Company Secretary, on behalf of the Company, will lodge or arrange for the lodgment of the disclosure or announcement with the stock exchange(s) and simultaneously share this with the Board.

**(c) Post disclosure or announcement on the website of the Company:**

After lodgment of the disclosure or announcement with the Stock Exchanges, the Company Secretary with approval of MD and CFO will arrange to place it on the website of the Company. All the announcements made under this Policy shall be hosted on the website of the Company as per the Policy regarding the archival of documents, adopted by the Company. If any disclosure or announcement is made about an event, any periodic updates to such event would also be intimated promptly, to the extent applicable.

**(d) Periodic updates on the events already disclosed to the stock exchanges:**

The Company Secretary will arrange to inform the stock exchange(s) all updates on the event or information which are already disclosed to the stock exchanges and the same shall be hosted on the website of the Company.

**I. Mechanism to be adopted for identifying and reporting potential material event/information by Relevant Employees.**

1. During performance of one's role, the Relevant Employee/(s) shall be responsible for identifying pertinent events/information which has potential to be classified as material events/information as per Table A of this policy.
2. Upon identification of potential material events/information, the relevant employee shall promptly report the details of such potential material events/information to the Authorized Persons.
3. Any other event, even if not covered under the Listing Regulations but is potentially of price sensitiveness, must also be informed for further evaluation, to the Authorized Persons.
4. After evaluation, the Authorized Persons shall if required issue a suitable disclosure to the StockExchanges.

**Mode of Communication:** The aforesaid details can be submitted to the Authorized Persons by the Relevant Employee using written communication methods such as emails, internal memos, or any other appropriate means.

The details so submitted shall be authentic and comprehensive to enable the Authorized Persons to make informed decision/ take appropriate actions. The Relevant Employees should exercise necessary diligence to ensure confidentiality of the details being submitted/so submitted to the Authorized Persons.

The Relevant Employees may approach the Authorized Persons for seeking guidance/clarity to ensure effective implementation of this policy.

## **9. UPDATING MATERIAL DEVELOPMENTS**

The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations.

## **10. REPLIES TO QUERIES OF STOCK EXCHANGES**

The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange(s) with respect to any events or information.

## **11. SCOPE AND LIMITATION:**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law, and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

## **12. AMENDMENTS TO THE POLICY:**

The Policy shall be reviewed periodically by the senior management and amendments to the Policy, if any, shall be subject to the approval of the Board, if and when practical difficulties are encountered.

## **13. DISSEMINATION OF THE POLICY:**

As per the provisions of the SEBI Listing Regulations, this Policy shall be hosted on the website of the Company. A copy of this Policy shall be handed over to all Directors, key managerial personnel and heads of departments of various operations of the Company.