



DYNEMIC PRODUCTS LIMITED

POLICY ON MATERIALITY OF EVENTS

(Regulation 30 of SEBI Listing Regulations, 2015)

**(Approved by the Board of Directors on November 7, 2015) revised and
approved by the Board of Directors on August 14, 2023**

1. INTRODUCTION

The Board of Directors (the “Board”) of Dynemic Products Limited (the “Company”), has adopted the following policy with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges based on criteria as may be deemed necessary and has been adopted as part of this policy. This policy is made in pursuance of Regulation 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”). The Board may review and amend this policy from time to time.

On 14th June 2023, SEBI notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR 2023 Amendment”) which came into force on 14th July 2023. Under the said LODR 2023 Amendment, SEBI has inter alia amended Regulation 30 of the LODR that deals with disclosure of events or information by a listed entity. In view of same, this Policy was amended and readopted by the Board of Directors of the Company at its meeting held on 14th August, 2023 in accordance with the provisions of LODR 2023 Amendment.

2. SCOPE & OBJECTIVE

The objective of this Policy is to fix criteria for determination of materiality of events or information in relation to Company, to ensure timely and adequate disclosure of material events or information to the stock exchange(s) and to assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial personnel, for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation on website, the events / information which are considered material and which needs to be disclosed to the Stock Exchange(s).

3. DEFINITIONS

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI’s LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

“Audit Committee or Committee” means Audit Committee constituted by the Board of Director of the Company, from time to time under provisions of SEBI LODR, 2015, RBI Act and/or the Companies Act, 2013.

“Board of Directors or Board” means the Board of Directors of Dynemic Products Limited, as constituted from time to time.

“Independent Director” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI’s LODR, 2015 entered into with the stock exchanges.

“Key Managerial Personnel” (KMP) of the Company includes Managing / Whole-time Directors, Chief Financial Officer, Company Secretary and such other Senior Executives, who were authorized by the Board as KMP.

“LODR” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Material Events” are those that are specified in Para A of Part A of Schedule III of the LODR.

“Other Events” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation (4).

“Policy” means Policy on Disclosure of Material Events.

4. PURPOSE

As per the Policy, the Company shall make disclosures of any events or information which, in the opinion of the board of directors of the company, is material.

- Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosures of such events.
- Events specified in Para B of Part A of Schedule III shall be disclosed by the listed entity, based on application of the guidelines for materiality.

For this purpose, the company needs to frame a policy for determination of materiality, based on the criteria as specified, duly approved by its board of directors, which will be disclosed on its website.

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

Pursuant to Reg. 30(4), the Company 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;

(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) 2% of turnover as per last audited consolidated financial statements;
- ii) 2% of net worth as per last audited consolidated financial statements (not applicable if in negative);
- iii) 5% of average net profit or loss after tax of last 3 consolidated financial statements. However if the criteria above is not applicable but if in the opinion of BODs the events or information if material, it may be disclose. Any continuing event or information which becomes material pursuant to notification of these amendments regulations shall be disclosed within 30 days from the date of coming into effect of these regulations. Such policy shall assist the relevant employees in identifying any potential material event or information and reporting the same to authorised KMP u/r 30(5)

6. DISCLOSURE OF EVENTS/INFORMATION AND PRESERVATION THEREOF

In addition to the above, the Company shall ensure the following:

- (a) It shall disclose on its website all such events or information which has been disclosed to stock exchange and such disclosures shall be hosted on the website of the company for a minimum period of 5 years and thereafter as per the archival policy of the company, as disclosed on its website.
- (b) It shall disclose all events or information with respect to subsidiaries which are material for the Company.
- (c) It shall provide specific and adequate reply to all queries, if any, which may be raised by stock exchanges with respect to any events or information.
- (d) In the event of any event or information is available with the Company, which has not been included in Part A of Schedule III, but which the Company may feel that it will have material effect on it, is required to make adequate disclosures in regard thereof.
- (e) "(13) In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority."
- (f) Now Company shall disclose events or information to Stock Exchanges:
 - i) Within 30 minutes from the Board Meeting in which decision taken;
 - ii) Within 12 hours, if the information is emanating from the Company;
 - iii) Within 24 hours, if the information is not emanating from the Company. Disclosure relating to change in director/KMP/auditor/ compliance officer/RTA to be filed within 30 minutes.

7. EVENTS/INFORMATION UNDER PARA A & B OF PART A OF SCHEDULE III

CATEGORY A - Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

Events considered Material in view of the Board of Directors which needs to be disclosed to the stock exchanges within **24 hours** of the decision taken at the Board Meeting are:

- 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. Revision in Rating(s) or New Ratings obtained from rating agency.
- 4. Outcome of Meetings of the board of directors: The listed entity 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 listed entity from stock exchange(s).

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 listed entity), 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.

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: 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."

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:

For the purpose of this sub-paragraph:

- (i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity."

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor, Compliance Officer and Senior Management.

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. Corporate debt restructuring.

10. One time settlement with a bank.
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 listed entity.
12. Proceedings of Annual and extraordinary general meetings of the listed entity.
13. Amendments to memorandum and articles of association of listed entity, in brief.
14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors; "at least two working days in advance (excluding the date of the intimation and the date of the meet)"

Note: If the Management is not in a position to inform the stock exchange within 24 hours of the decision taken at the Board Meeting, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

CATEGORY B - Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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

8. PERSONNEL RESPONSIBLE FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

The Managing Director (MD) of the Company Mr. Bhagwandas K. Patel (Contact No. 079-27663071) is responsible for the purpose of determining the materiality of any event or information which have bearing on the performance/share price of the Company. He shall inform to the Company Secretary about the materiality of any information/event which shall then be intimated by the Company Secretary to the Stock exchanges as a part of Disclosure compliance.

However, other KMPs including employees working at Senior management level of the Company shall, from time to time, bring to the notice of the MD about the material events in their respective functional areas which in their opinion may materially affect the share price/performance of the Company and the MD then based on the information brought to his notice by the respective KMPs including Senior management employees, consider the materiality of the said event/information and inform to the Company Secretary for onward submission to the Stock exchanges.

9. DISCLOSURES

The Policy for determining materiality of events/information is available on the Company's website at www.dynemic.com.

10. ACCEPTING / DENYING REPORTED EVENT OR INFORMATION

The Managing Director shall suo-moto accept / deny reporting of any event or information, which has been unauthorized made public by media or by any other means including but not limited to electronic means. Further he may authorize the Company Secretary or such other Key Managerial Personnel as he may deem fit to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the MD shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

11. POLICY REVIEW

The Board of Directors reserves the right to amend or modify this Policy in whole or in part, at any point of time.