

# (REVISED) POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION

ZF STEERING GEAR (INDIA) LIMITED

**REGD. OFFICE: GAT NO. 1242/ 44, VILLAGE VADU BUDRUK, TAL.  
SHIRUR, DIST. PONE - 412 216, MAHARASHTRA, INDIA  
CIN: L29130PN1981PLC023734**

**(REVISED) POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY  
OF EVENTS AND INFORMATION**

**1. REGULATORY FRAMEWORK**

1.1 This policy ("**the Policy**") of **ZF STEERING GEAR (INDIA) Limited** ("**Company**") has been prepared and adopted in accordance with Regulation 30 of the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR/ the Listing Regulations**").

1.2 Regulation 30(1) of SEBI LODR requires the Company to make disclosures to the stock exchanges of any events or information which, in the opinion of the Board of Directors of the Company, is material.

1.3 Regulation 30(4) of SEBI LODR requires the Company to frame a policy for determination of materiality of events or information for onward disclosure to Stock Exchange based on the materiality criteria as specified in the said regulation and reiterated in this policy.

1.4 SEBI has issued SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, on June 14, 2023, making several changes with regard to the said policy.

1.5 Accordingly, taking into account the aforesaid changes and other applicable provisions the revised Policy on Determination and Disclosure of Materiality of Events and Information is as under:

**2. OBJECTIVES OF THIS POLICY**

2.1 To determine the materiality of an event or information;

2.2 To ensure timely, accurate, uniform and transparent disclosure of all such events or information considered material as per this policy.

### **3. MATERIALITY CRITERIA**

The Company shall consider the events or information as material ("materiality criteria") based on following criteria:

- 3.1 The Omission of an event or information is likely to result in discontinuity or alteration of event or information already available publicly; or
- 3.2 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;
- 3.3 Where the criteria specific in sub-clauses 3.1 and 3.2 are not applicable, an event/ information may be treated as material, if in the opinion of the Chairman of the Company, the event/ information is considered material considering the facts, circumstances and certainty of having of an event or information being material.
- 3.4 the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - a. two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - b. 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;
  - c. 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;
- 3.5 In case where the criteria specified in sub-clauses 3.1 to 3.4 is not applicable, an event or information may be treated as being material if in the opinion of the board of directors or authorized person of the Company as specified in Clause 5 of this policy, the event or information is considered material.
- 3.6 Further, all the events or information with respect to its subsidiaries which are material for the Company shall be considered for disclosure to Stock Exchange.

### **4. DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION**

- 4.1 The events or information specified in Para A of Part A of Schedule III of SEBI LODR will be considered as deemed material events and thus will be disclosed to the Stock Exchanges without application of the materiality criteria.
- 4.2 The events or information specified in Para B of Part A of Schedule III of SEBI LODR will be disclosed based on application of the materiality criteria as outlined in clause 3.

4.3 In addition to the above, Para C and Para D of Schedule III of SEBI LODR requires the disclosure of the following:

- 4.3.1 Major development that is likely to affect business, e.g. emergence of new technologies;
- 4.3.2 Expiry of patents;
- 4.3.3 any change of accounting policy that may have a significant impact on the accounts of the entity, etc.;
- 4.3.4 any other information which is exclusively known to the Company and which may be necessary to enable the holders of the securities of the Company to appraise its position and avoid establishment of any false market in such securities; and
- 4.3.5 Any other disclosure as may be specified by SEBI from time to time.

4.4 In case an event occurs, or information is available with the Company, which is not included in the PARA A or PARA B of PART A of Schedule III, but which may have a material effect, the Company shall make adequate disclosures in this regard thereof.

4.5 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.

4.6 The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

## **5. AUTHORITY TO MAKE DISCLOSURES**

5.1 As per SEBI LODR, the Board of Directors has authorized the following persons:

- 5.1.1 Any Executive Director;
- 5.1.2 Company Secretary and Compliance Officer

to determine materiality of an event or information in terms of this policy and to make appropriate disclosure to the Stock Exchange.

5.2 The contact details of the aforesaid authorized personnel will be disclosed to the stock exchanges and displayed on the Company's website.

5.3 The authorized personnel shall ensure the following:

- 5.3.1 Determine the materiality of an event or information for the purpose of making disclosures to Stock Exchange.
- 5.3.2 Give specific and adequate reply to all queries raised by the stock exchanges with respect to any event or information.
- 5.3.3 Voluntarily confirm or deny any reported event or information to stock exchanges.
- 5.3.4 In case of an ongoing material event or information, make disclosures updating material developments on a regular basis, till such time an event is resolved or closed, with relevant explanations.

## **6. POINT OF TIME WHEN MATERIAL EVENT IS SAID TO HAVE OCCURRED:**

- 6.1 The Company shall disclose event/ information meeting the materiality criteria test as specified in this policy no sooner than credible and concrete information comes to the Company or is said to have occurred in order to make such information generally available.
- 6.2 In certain cases, it would depend on the stage of negotiation, discussion or approval and the material event/ information will be said to have occurred:
  - i. In cases involving negotiation, discussion or approval, upon receipt of the approval of the Board of Directors or the Shareholders, as the case may be. However, in cases involving the price sensitive information, the disclosure may be made on receipt of approval of the Board, pending shareholder approval. In case in-principle approval or approval to explore (which is not final) is given by the Board of Directors, the same shall not require disclosure under this policy.
  - ii. In other cases, where no approvals are required, when the Company or its officers become aware of the events or information, or when the Company or its officers ought to have reasonably come into knowledge/ possession of the event/ information.

## **7. DISCLOSURE OF EVENTS OR INFORMATION**

- 7.1 The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of Regulation 30 of the Listing Regulations 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
- 7.2 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.
- 7.3 All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a the Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the Company about the agreement to which such the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.
- 7.4 Provided that for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, the parties to the agreements shall inform the Company, about the agreement to which such the Company is not a party and the Company shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the Board.
- 7.5 The Company shall also disclose all events or information with respect to its material subsidiaries as per the Policy on material subsidiary.
- 7.6 The Chairman of the Board, on the recommendation of Chairman of the Audit Committee may make changes to the above Policy as they may deem expedient, taking into account the law for the time being in force
- 7.7 The revised policy shall be disclosed on the website of the Company.

**Pune**

**Date: July 22, 2023**

**Chairman**