

## POLICY FOR DETERMINATION OF MATERIAL EVENTS

### 1. Introduction:

Allied Digital Services Limited (“the Company”) is committed to maintaining transparency in its interactions with all stakeholders, ensuring that information is shared in a fair and timely manner. The Company’s securities are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and therefore are required to comply with the continuous disclosure obligations by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”).

In terms of Regulation 30 read with Schedule III of the Listing Regulations, the Board of Directors (the “Board”) of the Company has adopted the Policy for determination of materiality of events or information (“the Policy”) to enable the Company to promptly disclose such information or event to the Stock Exchanges, pursuant to this Regulation. This Policy was revised by the Board of Directors of the Company at its meeting held on November 07, 2023, pursuant to the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“Amendment Regulations”).

### 2. Objective of the Policy:

The objectives of the Policy are as follow:

- a. to ensure that the Company complies with the disclosure obligations to which it is subject as a publicly traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations, as applicable;
- b. to ensure that the information disclosed by the Company is adequate, accurate, timely and transparent;
- c. to ensure that corporate documents and public statements are accurate and do not contain any misrepresentation;
- d. to protect the confidentiality of material/price sensitive information within the context of the Company’s disclosure obligations;
- e. to provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company;
- f. to ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures;
- g. to lay down the aspects for determining the materiality of the events / information and the time frame within which the information should be disclosed.

**Registered Office:** Allied Digital Services Limited, Premises No. 13A, 13th Floor, Earnest House,  
Back Bay Reclamation, NCPA Road, Block III, Nariman Point, Mumbai - 400 021.

B: +91 22 6681 6400 | F: +91 22 2282 2030 | [www.allieddigital.net](http://www.allieddigital.net) | CIN - L72200MH1995PLC085488

### 3. Scope of the Policy

The Policy will be applicable to all events which fall under the criteria as disclosed under the section relating to “Guidelines for determining materiality of events/ information”.

This Policy shall be read along with the Company’s Policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed in adherence to the principles for fair disclosure as outlined in the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

### 4. Definitions:

“**Board of Directors**” or “**the Board**” means the Board of Directors of Allied Digital Services Limited, as constituted from time to time.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“**Material Events**” means events as specified in Schedule III to the Listing Regulations and upon the occurrence of which a Company shall make disclosures to stock exchange(s) and host such disclosures on the Company’s website.

“**Policy**” means this Policy for Determination of Material Events.

“**Regulator**” means Securities and Exchange Board of India.

“**Relevant employee**” means an employee identified by the Key Managerial Personnel of the Company based on the job profile, designation and position held, privy to key data/ information of the Company, to assist him in identifying any potential material event or information.

“**Key Managerial Personnel**” or “**KMP**” means Key Managerial Personnel as defined in sub-section (51) of section (2) of the Companies Act, 2013.

“**Promoter**” and “**Promoter Group**” shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) 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;

“**Authorized Officer**” means one or more Key Managerial Personnel as authorized by the Board of Directors of the Company for the purpose of determining the materiality of an event or information and for the purpose of making disclosures to the stock exchange(s).

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the Listing Regulations, and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder, or any other Act and/or applicable laws or any statutory modification or re-enactment thereto, as the case may be.

**5. Guidelines for determining materiality of events/ information:**

As stated above, Regulation 30 of the Listing Regulations casts responsibility on the Board of the Directors of the Company to disclose such events or information which in the opinion of the Board is material including such events as stated herein and laid down under Schedule III of the Listing Regulations. As per Para A of Part A of Schedule III of the Listing Regulations, as amended from time to time the following events are deemed to be material and shall be disclosed by the Company.

**Material Events (As per Para A of Part A of Schedule III)**

- 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 Company, sale of stake in associate company of the Company or any other restructuring.

Explanation (1)- For the purpose of this sub-para, 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 (ii) of the Explanation to this sub-para and such change exceeds two percent of the total shareholding or voting rights in the said company.
  - (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.

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)
- 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 Company 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 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.

- 5A Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company 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 company or impose any restriction or create any liability upon the company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Provided that such agreements entered into by a Company 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 Company 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 Company shall or shall not act in a particular manner.

- 6 Fraud or defaults by a Company, its promoter, Director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, 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 Company.]

- 7 Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management Auditor and Compliance Officer.
- 7A In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company 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 Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
  - i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
  - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
  - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub- clause (i) and (ii) 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 Company within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the Company 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.
- 10 One time settlement with a bank.
- 11 Winding-up petition filed by any party / creditors.
- 12 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.
- 13 Proceedings of Annual and Extra-ordinary general meetings of the Company.
- 14 Amendments to memorandum and articles of association of the Company, in brief.
- 15 (a) Schedule of Analysts 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 made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

  - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
  - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.;

- 16 The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - f. Appointment/ Replacement of the Resolution Professional;
  - g. Prior or post-facto intimation of the meetings of Committee of Creditors;
  - h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - i. Number of resolution plans received by Resolution Professional;
  - j. Filing of resolution plan with the Tribunal;
  - k. Approval of resolution plan by the Tribunal or rejection, if applicable;
  - l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
    - i. Pre and Post net-worth of the Company;
    - ii. Details of assets of the company post CIRP;
    - iii. Details of securities continuing to be imposed on the companies' assets;
    - iv. Other material liabilities imposed on the company;
    - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - vi. Details of funds infused in the company, creditors paid-off;
    - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - viii. Impact on the investor – revised P/E, RONW ratios etc.;
    - ix. Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
    - x. Brief description of business strategy.
  - m. Any other material information not involving commercial secrets.
  - n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
  - o. Quarterly disclosure of the status of achieving the MPS;

- p. The details as to the delisting plans, if any approved in the resolution plan.
- 17 Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company:
- a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b. Final forensic audit report (other than for forensic audit initiated by regulatory/enforcement agencies) on receipt by the Company along with comments of the management, if any.
- 18 Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

- 19 Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- (a) search or seizure; or
  - (b) re-opening of accounts under section 130 of the Companies Act, 2013;
  - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i. name of the authority;
    - ii. nature and details of the action(s) taken, initiated or order(s) passed;
    - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
    - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
    - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

- 20 Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- a. suspension;
  - b. imposition of fine or penalty;
  - c. settlement of proceedings;
  - d. debarment;
  - e. disqualification;
  - f. closure of operations;
  - g. sanctions imposed;
  - h. warning or caution; or
  - i. any other similar action(s) by whatever name called;  
along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i. name of the authority;
    - ii. nature and details of the action(s) taken, initiated or order(s) passed;
    - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
    - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
  - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
- 21 Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

**Material Events (As per Para B of Part A of Schedule III)**

**Illustrative list of events which shall be disclosed upon application of the guidelines for materiality**

- 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 Company:
  - 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 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 Company.
- 9 Frauds or defaults by employees of the Company which has or may have an impact on the Company.
- 10 Options to purchase securities including any ESOP/ESPS Scheme.
- 11 Giving of guarantees or indemnity or becoming a surety, by whatever name 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."

**6. Authority to determine the materiality of event:**

The Board of Directors of the Company has authorized severally the Key Managerial Personnel to determine the materiality of an event or information and to make appropriate disclosures on timely basis.

The authorized officer is also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The authorized officer 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 matters.
- e. To disclose all events or information with respect to the subsidiaries which are material for the Company.

## 7. Guidelines for Assessing Materiality

Materiality will be determined on a case-to-case basis depending on the facts and the circumstances pertaining to an event or information and would be determined based on the qualitative judgement to be exercised by the Authorised Persons.

The following criteria will be applicable for determining materiality of an event or information.

- (a) the omission of an event or information, which is likely to:
  - i. result in discontinuity or alteration of event or information already available publicly; or
  - ii. result in significant market reaction if the said omission came to light at a later date;
- (b) 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 company; or
  - 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;

In case where the criteria specified in sub-clauses (i), (ii) and (iii) 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.

**8. Guidance on Timing of an Event or Information:**

All events or information which are material in terms of the provisions of Regulation 30 of 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.

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:

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

Provided further that in case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of listing regulations, but which may have material effect on it, the authorized officer shall make adequate disclosures in regard thereof.

Provided further that in case an event or information is required to be disclosed by the Company in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

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

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

The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information:

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a 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 the listing regulations, shall inform the Company about the agreement to which such a Company is not a party,

within twenty-four hours of entering into such agreements or signing an agreement to enter into such agreements.

The Company shall disclose the number of agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, their salient features, including the link to the webpage where the complete details of such agreements are available, in the Annual Report for the financial year 2022-23 or for the financial year 2023-24.

**9. Policy Review:**

The Board may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors.

Any subsequent amendment / modification in the Listing Regulations, the Companies Act, 2013 and / or applicable laws in this regard shall automatically apply to this Policy.

**10. Effective Date:**

The Policy has been effective since December 1, 2015 and the amended policy shall be effective from November 07, 2023.

**11. Website:**

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company i.e. [www.allieddigital.net](http://www.allieddigital.net).

**For Allied Digital Services Limited**

**Sd/-**

**Nitin Dhanji Shah**

**Chairman & Managing Director**

**Din:00189903**