

CHOTHANI FOODS LIMITED

Policy on Determination of Materiality of Disclosures

1. PREFACE

Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') requires every listed entity to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges. Further such disclosures are required to be hosted on the website of the listed entity for a minimum period of 5 years and thereafter as per its Preservation of Documents and Web Archival Policy.

Accordingly, Chothani Foods Limited (the 'Company') herein sets out a Policy for determination of materiality of events and information and disclosure thereof and Web Archival Policy (hereinafter referred to the 'Policy').

2. DEFINITIONS:

The definitions of some of the key terms used in this Policy are given below.

- a. **"Act"** means the Companies Act, 2013 and the rules framed thereunder and any amendments made thereto;
- b. **"Authorised Person"** means any person as may be designated by the Board of Directors for determining the materiality of an event or information and for the purpose of making disclosures to the stock exchanges;
- c. **"Board of Directors"** or **"Board"** shall mean Board of Directors of Chothani Foods as constituted from time to time;
- d. **"Company"** shall mean **"Chothani Foods Limited"**;
- e. **"Key Managerial Personnel"** mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;
- f. **"Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and any amendments thereto;
- g. **"Material Event"** or **"Material Information"** shall mean such event or information as may be determined in terms of Point 5 of the Policy or as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the Policy, the words, **"material"** and **"materiality"** shall be construed accordingly;
- h. **"Material Subsidiary"** shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations;
- i. **"Policy or This Policy"** means, **"Policy for determination of materiality of events and information and disclosure thereof."**

3. INTERPRETATION:

All 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, as amended, 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. OBJECTIVE:

The objectives of this policy are as follows:

- 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 Regulations, various Securities Laws and any other legislations (In India and Overseas).
- b. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.
- c. To ensure that to the best of the knowledge of the Management, the 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 determine materiality thresholds of events/information mentioned in Regulation 2(1)(n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which are likely to materially affect the price of the securities (constituting UPSI). The Compliance Officer appointed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 may consult the Authorised Person to determine whether the event / information warrants Trading Window Closure and the appropriate stage for Closure and Opening of Trading Window;
- h. To evaluate the information submitted by the key managerial personnel, directors, promoter, promoter group or relevant employees of the Company about any potential material event or information and to determine if disclosure is required to be made to the Stock Exchanges.
- i. To review the event or information requiring disclosure to the Stock Exchanges in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, unless disclosure of such communication is prohibited by such authority.

5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Events/Information shall be considered as Material if it meets any of the following criteria:

- a. the event or information is in any manner unpublished price sensitive information;
- b. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- c. 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;
- d. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (1) 2% of turnover, as per the last audited consolidated financial statements of the Company;

- (2) 2% 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;
- (3) 5% of the average of absolute value of profit or loss after tax, as per the last three years audited consolidated financial statements of the Company; and
- e. any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

6. DISCLOSURES OF EVENTS OR INFORMATION:

- a. In accordance with Amended Regulations, all events or information which are material shall be first disclosed to Stock Exchanges as soon as reasonably possible and as per the timelines prescribed under Regulation 30(6) of the Regulations.
- b. Events/information listed under Para A of Part A of Schedule III to the Regulations shall be deemed to be material events and the Company shall make disclosure of such events without application of the materiality threshold, within the prescribed timelines and in the manner required by the Regulations.
- c. Events/ information listed under Para B of Part A of Schedule III to the Regulations shall be considered as material if they meet the criteria and materiality thresholds prescribed under Regulation 30(4)(i) of the Regulations and the same shall be disclosed to the Stock Exchanges, within the prescribed timelines and in the manner required by the Regulations.
- d. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- e. The Company shall disclose all events or information with respect to its Material Subsidiaries.
- f. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.

7. POLICY REVIEW:

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

Should there be any inconsistency between the terms of the Policy and the Regulations, the provisions of the Regulations shall prevail.

Any amendments to the Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

8. EFFECTIVE DATE:

The Policy as approved by the Board of Directors shall be effective from 13th March, 2025

9. WEBSITE DISCLOSURES AND ARCHIVAL:

The Company shall disclose on its website all such events or information which have been disseminated to the Stock Exchanges under this Policy for such period as provided in the Regulations and thereafter as per the archival process followed by the Company.

10. CONTACT DETAILS:

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary, who is in charge of administering, enforcing and updating this policy.

11. This Policy is updated in accordance with the requirements of the Amended Regulations and other SEBI Circular(s) specified in this regard. This Policy applies to disclosure of events or information which are material to the Company and does not dilute any requirement specified under the provisions of the Listing Regulations.

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This Policy was last approved and modified by the Board of Directors on 13th March, 2025