



Materiality Policy

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Objective

The objective of this Materiality Policy (“**Policy**”) is to fix a criteria for determination of materiality of events or information in relation to ICRA Limited (“**Company**”) and/or its Subsidiaries to ensure timely and adequate disclosure of material events/information to the stock exchanges.

Background

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“**Listing Regulations**”), requires every listed entity to formulate a policy for determination of materiality of an event or information for the purpose of making disclosures to the stock exchanges and such a policy is required to be disclosed on the company's website. Such a policy for determination of materiality shall not dilute any requirement specified under the provisions of the Listing Regulations. It shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorised key managerial personnel, in terms of sub-regulation (5) of the Regulation 30 of the Listing Regulations, for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s). Further, Para (B) of Part A of Schedule III of the Listing Regulations provides a list of events for which the disclosures have to be made to the stock exchange based on application of certain guidelines on materiality prescribed under the Listing Regulations.

Considering the requirements of Regulation 30(4) of the Listing Regulations, the Company has formulated this Policy for determining the materiality of an event or information for the purpose of disclosures to be made by the Company to the stock exchanges.

Definition

- (i) “**Board of Directors**” or “**Board**” means the Board of Directors of ICRA Limited, as constituted from time to time.
- (ii) “**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013.

Words and terms referred to in this Policy shall, unless defined herein, have the meaning ascribed to such terms under the Companies Act, 2013 or the Listing Regulations, unless the meaning or the context requires otherwise.

Criteria for determination of materiality of events/information

The Company shall consider the following criteria for determination of materiality of an event/information:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) 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
- (iii) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- 1) two per cent of the turnover, as per the last audited consolidated financial statements of the Company;
 - 2) two per cent of the 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) five per cent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;
- (iv) In case, where the criteria specified in sub-clauses (i), (ii) or (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.

Scope

The Company is required to apply the above-mentioned criteria for determination of materiality of the events or information mentioned below:

- (i) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- (ii) 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).
- (iii) Capacity addition or product launch
- (iv) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business
- (v) 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
- (vi) 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.
- (vii) Effect(s) arising out of change in the regulatory framework applicable to the Company
- (viii) Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company
- (ix) Fraud or defaults by employees of the Company which has or may have an impact on the Company
- (x) Options to purchase securities including any ESOP/ESPS Scheme
- (xi) Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party
- (xii) Granting, withdrawal, surrender, cancellation or suspension of key licences or regulatory approvals
- (xiii) Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority
- (xiv) Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company, which may be necessary to enable the holders of securities of the Company to appraise their position and to avoid the establishment of a false market in such securities.



Without prejudice to the generality of Paras (A), (B), and (C) of Part A of Schedule III of the Listing Regulations, the Company may make disclosures of event/information as specified by the Securities and Exchange Board of India from time to time.

Disclosures to the stock exchanges

Any event or information relating to the Company and/or its Subsidiaries that might fall within the Section - Scope is required to be reported immediately by the employees of the Company and/or its Subsidiaries to either the Group CFO or the General Counsel of the Company. The contact details are as follows: Telephones: +91 22 61693300; +91 124 4545300.

The Group CFO and the General Counsel together will determine the materiality of the event or information in consultation with the Managing Director & Group CEO. The Group CFO and the General Counsel will ensure that adequate disclosures with respect to such material events or information are made to the stock exchanges within the timeline prescribed under the Listing Regulations.

Amendments/Modifications

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law, which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the Listing Regulations or such applicable law, then the provisions of the Companies Act, 2013 or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such changes.

The Board of Directors of the Company may, subject to applicable laws, amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy to further the objective of good corporate governance.
