



SHETRON LIMITED
THE NAME BEHIND THE NAMES

**POLICY ON DISCLOSURE OF MATERIAL
EVENTS/INFORMATION**

(Approved on Board Meeting dated 08.02.2016)

(Amended at the Board Meeting held on 04.08.2023)

Registered Office:

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POLICY ON DISCLOSURE OF MATERIAL EVENTS / INFORMATION

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. Statutory Mandate

The Board of Directors (The "Board") of Shetron Limited (the "Company") has adopted the following policy and procedures 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. The Board may review and amend this Policy from time to time.

This Policy has been approved by the Board of Directors of 'the Company on February 8, 2016 and was effective from December 1, 2015. The Policy shall also be displayed on the website of the Company. Further, the Policy has been revised with effect from August 4, 2023 and it has been approved by the Board at its Meeting held on August 4, 2023.

2. Policy Objective and Scope

To determine the events and information which in the opinion of the Board are Material and needs to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The purpose of these documents to present a high level policy statement for Shetron Limited (SL) regarding disclosure of material events/information in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations").

The Policy is intended to define SL's policy on disclosure of events/information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in SL in making decisions and undertaking regarding its responsibility about making public such events/information which may materially affect the performance of the Company and thereby the share prices of the Company.

The Policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation of website the details of information/events which are considered material or not but which may have a bearing on the performance of the Company and which may materially affect the share prices of the Company.

3. All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations 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 to time.

4. Definitions

"Audit Committee or Committee" means Audit Committee constituted by the Board of Directors of the Company, from time to time under provisions of the Listing Regulations, RBI Act and/or the Companies Act, 2013.

"Board of Directors or Board" means the Board of Directors of Shetron Limited, as constituted from time to time.

"Company" means a Company incorporated under the Companies Act, 1956 or under any other act prior to or after Companies Act, 1956.

"Independent Director" means a Director of the Company, not being a Executive 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 Listing Regulations entered into with the Stock Exchanges.

"Policy" means Policy on Disclosure of Material Events.

"Material Events" are those that are specified in Para A of Part A of Schedule III of the Listing Regulations.

"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).

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

"Key Managerial Personnel" (KMP) of the Company includes Managing/Whole Time Directors, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

5. Policy

Either based on the recommendation of the Audit Committee or *suo moto* the Board of Directors of the Company shall determine the events which are classified under different categories to be material and/or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock Exchanges as per the time span specified against each category.

6. Material Events/Information

Regulation 30 of the Listing Regulations specifies following as Material Events:

- a) All information / events as specified in Para A of Schedule III of the Listing Regulations as may be amended from time to time (attached as Annexure 1 to this Policy) are deemed to be material events and shall be disclosed as prescribed under the Regulations on occurrence of such events.
- b) The information / events specified in Para B of Part A of Schedule III of the Listing Regulations as may be amended from time to time (attached as Annexure 1 to this Policy) will be disclosed based on application of guidelines for Materiality specified under the Regulations.
- c) 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 its position and to avoid the establishment of a false market in such securities.
- d) Any event or information as may be specified from Securities and Exchange Board of India ('SEBI') from time to time.
- e) Any event/information as specified by the Board of Directors of the Company from time to time.

Provided that any confidential information which if disclosed is likely to put at risk the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchanges.

Annexure 1

The events or information which will be necessary to be disclosed to the Stock Exchanges are divided into three categories as specified in Part A of Schedule III of the Listing Regulations:

- (a)** Events whose disclosure is mandatory and which would need to be disclosed without any application of the test / guidelines for materiality.

The below events will be disclosed as soon as reasonably possible and in any case not later than the following: (i) thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken; (ii) twelve hours from the occurrence of the event or information, in case it is emanating from within the Company; and (iii) twenty four hours from the occurrence of the event or information in case it is not emanating from within the Company. In case the disclosure is made timelines specified above, the Company shall along with such disclosures provide explanation for delay.

- (i) 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 (if any), sale of stake in associate company of the Company or any other restructuring.

Acquisition would mean:

- (A) acquiring control, whether directly or indirectly; or,
- (B) acquiring or agreement to acquire shares or voting rights in, a company, whether existing or to be incorporated, whether directly or indirectly, such that-
- (1) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (2) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- (C) Cost of acquisition or the price at which the shares are acquired exceeds the following threshold:
- (1) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (2) a 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;
 - (3) five percent of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

Sale or disposal of subsidiary and sale of stake in associate company includes:

- (a) 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 Company; or
 - (b) 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 (C) above.
- (ii) 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.
- (iii) Net ratings of revision in rating(s).
- (iv) Outcome of meetings of the board of directors: The Company shall disclose to the

Stock Exchanges, within 30 minutes of the closure of the meeting, held to consider or decide 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 would 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; and
- i) decision on voluntary delisting by the Company from Stock Exchanges.

Note: If, however, the meetings of the board of directors being held for more than one day, the financial results shall be disclosed within 30 minutes of end of the meeting for the day on which it has been considered.

- (v) 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.
- (vi) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, KMP, 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.

Further, such agreements entered into by the 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.

As mentioned above the term "directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.

- (vii) Fraud or defaults by the Company, its promoter or key managerial personnel (managing directors, chief executive officer, chief financial officer, company secretary etc.), senior management or subsidiary or arrest of KMP, senior management, promoter or director of the Company, whether occurred within India or abroad.

For purposes of this sub-paragraph:

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

In case of revolving facility 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.

Default by a promoter, director, KMP, senior management, subsidiary shall mean default which has or may have an impact on the Company.

- (viii) Change in directors, key managerial personnel, senior management, auditor and compliance officer.
- (ix) Detailed reasons for resignation of the auditor, as given by the said auditor, shall be disclosed, as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.
- (x) Following disclosures upon resignation of an independent director, within seven days from the date of resignation:
- a) Letter of resignation with detailed reasons for the resignation of independent directors as given by the said director along with the letter of resignation. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - b) Name of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of Board committees, if any.
 - c) Confirmation from the said independent director along with the detailed reasons that there is no other material reasons other than those provided.
 - d) The confirmation by said independent director should be submitted along

with the detailed reasons, as mentioned in (A) and (B) above.

- (xi) In case of resignation of KMP, senior management, compliance officer or director other than an independent director, the letter of resignation along with detailed reasons for the resignation to be disclosed by the Company within seven days from the date of such resignation comes into effect.
- (xii) 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.
- (xiii) Appointment or discontinuation of share transfer agent.
- (xiv) Resolution plan/restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - a) Decision to initiate resolution of loans/borrowings;
 - b) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c) Finalization of resolution plan;
 - d) Implementation of resolution plan;
 - e) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders
- (xv) One time settlement (“OTS”) with a bank.
- (xvi) Winding-up petition filed by any party/creditors.
- (xvii) 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.
- (xviii) Proceedings of annual and extraordinary general meetings of the Company.
- (xix) Amendments to memorandum and articles of association of the Company, in brief.
- (xx) Schedule of analyst 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 on financial results made by the Company to analysts or institutional investor, inclusive of group meetings or group conference calls conducted physically or through digital means.
- (xxi) 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:

1. 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;
2. 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 or video recordings and transcript shall be voluntary with effect from April 1, 2021 and mandatory with effect from April 1, 2022.

(xxii) Following events in relation to the corporate insolvency resolution process (“CIRP”) of the Company as corporate debtor under the Insolvency and Bankruptcy Code, 2016, (“IBC”) if applicable:

- 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 the IBC.
- e) List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the Insolvency and Bankruptcy Board of India (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 the IBC in the form specified under regulation 36A(5) of the Insolvency and Bankruptcy Board of India (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 IBC, not involving commercial secrets such as:
 1. Pre and post net-worth of the Company;
 2. Details of assets of the Company post CIRP;
 3. Details of securities continuing to be imposed on the companies’ assets;
 4. Other material liabilities imposed on the Company;
 5. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 6. Details of funds infused in the Company, creditors paid-off;

7. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
8. Impact on the investor – revised P/E, RONW ratios etc.;
9. Names of the new promoters, key managerial persons(s), 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;
10. Brief description of business strategy.

m) Any other material information not involving commercial secrets;

n) Proposed steps to be taken by incoming investor/acquirer for achieving the Minimum Public Shareholding (“MPS”);

o) Quarterly disclosure of the status of achieving the MPS;

p) The details as to delisting plans, if any approved in the resolution plan;

(xxiii) In case of initiation of forensic audit, following disclosures shall be made:

1. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
2. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

(xxiv) Announcement or communication through social media intermediaries or mainstream media by directors, promoters, KMP or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.

Social media intermediaries means an intermediary which primarily or solely enables online interaction between two or more users and allows them to create, upload, share, disseminate, modify or access information using its services.

Mainstream media shall include print or electronic mode of the following:

(a) Newspapers registered with the Registrar of Newspapers for India;

(b) News channels permitted by Ministry of Information and Broadcasting under Government of India;

(c) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and

(d) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.

(xxv) Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, KMP, 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; or
- (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:

- name of the authority;
- nature and details of the action(s) taken, initiated or order(s) passed;
- date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- details of the violation(s)/contravention(s) committed or alleged to be committed;
- impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

(xxvi) Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, KMP, 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 action(s) initiated, taken or orders passed;

- name of the authority;
- nature and details of the action(s) taken, initiated or order(s) passed;
- date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- details of the violation(s)/contravention(s) committed or alleged to be

- committed;
- impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

(xxvii) Voluntary revision of financial statements or the report of the Board under section 131 of the Companies Act, 2013.

(b) Events which may be disclosed to the Stock Exchanges based on the test of materiality

The events as mentioned below will be disclosed based on the application of the test of materiality and key principles for determination of materiality, as outlined hereunder:

- 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:
 - (a) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (b) a 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 absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
- iv. In a case where the criteria specified in (a), (b) and (c) is not applicable, any event/ information may be treated as material which in the opinion of the board of the Company, is considered material.

The authorised KMP under this Policy will determine on the disclosure of events or information to the Stock Exchanges based on the application of the test of materiality as mentioned above. In addition to this, the KMP while determining the materiality will do so on a case to case basis depending on specific facts / circumstances relating to the information / event and apply such other qualitative / quantitative criteria if required and as may be deemed appropriate to the events as stated below.

Description of events:

1. Commencement or any postponement in the date of commencement of 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 the 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, lock-outs 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/defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities, including any employees stock option plan / employees stock purchase 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.

(c) Any other event / information that is likely to affect business.

Such events may include but not be limited to the following:

- i. Change in accounting policy that may have a significant impact on the accounts of the Company.
- ii. Emergence of new technologies.
- iii. Expiry of patents.
- iv. Any other event which is in the nature of major development that is likely to affect business of the Company.
- v. Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to apprise its position and to avoid the establishment of a false market in such securities.

7. Authority for determination of Materiality of event(s)/ information(s)

The Key Managerial Personnel (KMP) consisting of the Managing/Whole time Director, Chief Finance Officer/Vice President (Finance) and the Company Secretary are hereby jointly and severally authorised to determine whether the event(s)/information(s) is material or not and in turn about its time line for disclosure based on the category of information as specified above to the Stock Exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.

8. Website Updation/Updated to Stock Exchanges

The Company shall update all disclosures made under the regulations to the Stock Exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

The Compliance Officer, of the Company, shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the Stock Exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

9. Disaster Preparedness

Shetron Limited maintains Business Continuity Plan (BCP) designed to ensure safety of staff as well as members of the general public, safeguard the documents and records pertaining to all material/non-material events and information which would enable a return to normal operating with minimal disruption. Detailed procedures for responding to an incident are part of the BCP.

In the event of major incident, the first priority is the safety of the people, followed by immediate action to rescue or prevent further damage to the records. Depending on the immediate threat, emergency response and recovery actions will take precedence over all other Company activities.

The Company has made appropriate provision for the backup of its digital collections, including the provision of offsite security copies. The backup copies are actively maintained to ensure their continued viability, The Company's BCP ensure that the digital collections and technical infrastructure required to manage and access them can be restored in the event of an emergency.

10. Authorisation to KMPs to suo moto accept/deny reported event or information

The Key Managerial Personnel (KMPs) consisting of the Managing/Whole-Time Directors, Chief Finance Officer/Vice President (Finance) and the Company Secretary are hereby jointly and severally authorised to suo moto accept/deny any reported event(s) or information(s), which has been unauthorisedly made publicly by media or by any other means including but not limited to electronic means. They are further authorized to respond to the rumors amongst the general public, which has no basis or documentation, in a way which best protects the interest of the

Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

11. Compliance Officer

The Compliance Officer for the purpose of complying with the provisions of the Listing Regulations shall be Company Secretary of the Company.

12. Policy Review

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

13. Board's Approval

This Policy was approved by the Board of Directors at its Meeting held on 8th February, 2016 and further revised at its Meeting held on 4th August, 2023.

For Shetron Limited

Sd/-

Diwakar Sanku Shetty
Executive Chairman