



AFCONS INFRASTRUCTURE LIMITED

**POLICY FOR DETERMINATION OF MATERIALITY OF
EVENTS OR INFORMATION**

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VERSION CONTROL

Version	Description	Adoption Date	Approval by
1.0	Adoption of New Policy	12/09/2024	Audit Committee and Board of Directors

A. LEGAL FRAMEWORK

1. In accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), and the amendments made thereto Afcons Infrastructure Limited (“**Company**” or “**Afcons**”) has formulated this Policy for determining materiality events / corporate actions and reporting them in a timely manner.

B. OBJECTIVE

1. The objective of this Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated pursuant to Listing Regulations and provide an overall governance framework for determination of materiality.

C. DEFINITIONS

1. “**Board**” or “**Board of Directors**” shall mean the board of directors of the Company.
2. “**Company**” or “**Afcons**” means Afcons Infrastructure Limited.
3. “**Compliance Officer**” shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.
4. “**Key Managerial Personnel**” mean key managerial personnel as defined in subsectionv(51) of section 2 of the Companies Act, 2013;
5. “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactments thereof for the time being in force.
6. “**Material Events**” shall mean events that are specified in Para A and Para B of Part A of Schedule III of the Listing Regulations and which shall be disclosed in accordance with the guidelines specified in Regulation 30(4)(i) of the Listing Regulations.
7. “**Normal course of Business**” shall mean all those transactions, events, and activities that satisfy one or more of the below attributes:
 - a. Transactions that are in consonance with the current business operations of the Company.

- b. Transactions, events, or activities which are conducted on a frequent or recurring basis as a part of regular operations.
 - c. The terms of the transactions, events, or activities are comparable to those that would be applicable to transactions or activities with other independent parties such that these transactions are conducted at arm's length.
8. **“Relevant Employees”** shall include employees of the Company who deal with or becomes aware of potential material event or information in the course of performance of his/her duties and/or whose names are added in the Company’s designated portal for sharing material information.
9. **"Policy"** means this policy for Determination of Materiality of Events or Information.

The words and expressions used but not defined herein shall have the same meaning as assigned to those words and expressions under the Listing Regulations or Securities Contracts (Regulation) Act, 1956 or laws framed thereunder. If any word and expression is not defined in the SEBI Regulations, such word and expression shall have the same meaning as mentioned under the Companies Act, 2013, and the Rules, Notifications and Circulars made/ issued thereunder, as amended, from time.

D. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

The Listing Regulations lay down the following criteria for determining the materiality of event or information:

- 1. All events/information stated in Para A of Part A of Schedule III to the Listing Regulations are deemed to be material and shall be disclosed without application of materiality thresholds applicable to the Company. The list of these events is provided in Annexure 1 of this policy.
- 2. Events specified in Para B of Part A of Schedule III of the Listing Regulations are provided in Annexure 2 of this Policy. These events shall be deemed to be material and shall have to be disclosed based on the below parameters:

a. Quantitative Criteria

The authorized key managerial personnel shall consider whether 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 (2%) percent of turnover, as per the last audited consolidated financial statements of the Company;

- ii. two (2%) percent of net worth, as per the last audited consolidated financial statements of the Company;
- iii. five (5%) 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.

b. Qualitative Criteria

The authorized key managerial personnel shall also consider the following criteria for determination of materiality of events/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, which is likely to result in significant market reaction, if the said omission came to light at a later date.

In case where the criteria specified in sub-clauses (a) and (b) above is not applicable, an event or information may be treated as being material, if in the opinion of the Board of Directors or the authorised key managerial personnel of the Company, the event or information is considered material.

3. In addition to above criteria the following factors shall also be considered while determination of materiality of event/ information:
 - a. Any event/ information which directly or indirectly may affect the reputation of the Company; or
 - b. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
 - c. Any event/ information which is not in the normal course of business;
4. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

E. GUIDELINES FOR DETERMINATION OF NORMAL COURSE OF BUSINESS OF CONTRACTS AND ORDERS

The following materiality criteria shall be adopted for disclosing contracts and orders by the Company, its Subsidiaries and Associate companies (other than the subsidiary companies whose equity shares are listed) with respect to transactions entered in the normal course of business for reporting to the Stock Exchanges:

1. Orders/contracts valued at Rs. 1000 crore and above, bagged by the Company.

2. Orders/contracts valued at Rs. 1000 crore and above, bagged by subsidiary companies other than the subsidiary companies whose equity shares are listed.

Notwithstanding the above, any amount exceeding the quantitative parameters mentioned in Clause 5(2)(a) of this Policy shall be treated as material information.

F. MECHANISM TO BE ADOPTED FOR IDENTIFYING AND REPORTING POTENTIAL MATERIAL EVENT/INFORMATION BY RELEVANT EMPLOYEES

1. The Relevant Employees shall be responsible for identifying events/information which has potential to be classified as material events/information as per this policy. They can refer the events specified in Para A and Para B of Part A of Schedule III of Listing Regulations provided in this policy.
2. Upon identification of potential material events/information, the Relevant Employee shall promptly report in writing, the details of such potential material events/information to the authorised key managerial personnel.
3. The details so submitted shall be authentic and comprehensive to enable the authorised key managerial personnel to make informed decision and make appropriate disclosures if deemed necessary.
4. The Relevant Employees should exercise reasonable diligence to ensure confidentiality of the details being submitted to the authorised key managerial personnel.
5. The Relevant Employees may approach the authorised key managerial personnel for seeking guidance/clarity to ensure effective implementation of this policy.

G. AUTHORISATION FOR DETERMINATION OF MATERIALITY OF EVENT OR TRANSACTION OR INFORMATION

1. The Company's Key Managerial Personnel in charge of businesses i.e. Managing Director, and Chief Financial Officer shall have the authority to decide the "Materiality" of any event / transaction / information based on the above guidelines/criteria and the concerned Key Managerial Personnel shall intimate the Company Secretary to disclose the said information to the Stock Exchanges.
2. Any decision taken by them shall be valid and binding on the Company.
3. The authorized Key Managerial Personnel are also empowered to seek appropriate counsel or guidance as and when deemed necessary.

4. The authorized Key Managerial Personnel may conduct periodic training/sensitization programs and/or release FAQs, framework to further assist Relevant Employees for effective implementation of this policy.
5. The authorized Key Managerial Personnel may implemented a software application to assist the Relevant Employees to report material event/information to authorized key managerial personnel.

H. DISCLOSURE OF EVENTS/ INFORMATION TO THE STOCK EXCHANGES

1. The Company shall disclose all events or information which are material in accordance with the Policy as soon as reasonably possible and in any case not later than the following:
 - a. Thirty (30) 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 (12) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company; and
 - c. Twenty-four (24) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.
2. In case the disclosure is made after the timelines specified above of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.
3. The Company shall disclose to the stock exchanges material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.
4. Without prejudice to the generality of the provisions of this Policy, the Company may make additional disclosures of any event/ information as it may deem fit from time to time.
5. Effective from such date as may be notified by SEBI and applicable to the Company, the Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific event or information. The confirmation, denial or clarification would be made to the Stock Exchanges as soon as reasonably possible, however, not later than twenty-four hours from the reporting of the event or information.

I. REVIEW & AMENDMENT

1. The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Board has the right to change/amend the policy as may be expedient taking into account the law for the time being in force.
2. The Policy shall also be displayed on the website of the Company.

J. EFFECTIVE DATE

1. This Policy is approved by the Audit Committee and Board of Directors of the Company on 12th September, 2024 respectively.
2. The Policy shall be effective from the date of the listing of the Equity Shares of the Company.

Annexure 1

Events specified in Para A of Part A of Schedule III of the Listing Regulations

SR No.	PARTICULARS
1.	<p>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.</p> <p>Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-</p> <ul style="list-style-type: none">i. acquiring control, whether directly or indirectly; orii. acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –<ul style="list-style-type: none">a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; orb) 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-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; orc) the cost of acquisition or the price at which the shares are acquired exceeds the materiality threshold specified in this policy. <p>Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-</p> <ul style="list-style-type: none">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 Company; orii. 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 materiality threshold specified in this policy. <p>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.</p>
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.	<p>Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:</p> <p>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): Provided that in case of board meetings being held for more than 1 day, the financial results shall be disclosed within 30 minutes of end of the meeting for the day on which it has been considered</p>
5.	<p>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.</p>
6.	<p>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:</p> <p>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.</p> <p>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.</p>

	<p>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:</p> <p>For the purpose of this sub-paragraph:</p> <p>(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.</p> <p>(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.</p> <p>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.</p> <p>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.</p>
8.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
9.	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 24 hours of receipt of such reasons from the auditor.
10.	<p>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:</p> <ol style="list-style-type: none"> i. The letter of resignation along with detailed reasons for the resignation as given by the said director 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 disclosures as specified in sub-clause (i) and (ii) above.

11.	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 7 days from the date that such resignation comes into effect.
12.	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 45 days in any rolling period of 90 days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
13.	Appointment or discontinuation of share transfer agent.
14.	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.
15.	One time settlement with a bank.
16.	Winding-up petition filed by any party / creditors.
17.	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.
18.	Proceedings of Annual and extraordinary general meetings of the Company.
19.	Amendments to memorandum and articles of association of Company, in brief.

20.	<p>a. Schedule of analysts or institutional investors meet at least 2 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.</p> <p>Explanation: For the purpose of this clause ‘meet’ shall mean group meetings or group conference calls conducted physically or through digital means.</p> <p>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:</p> <ul style="list-style-type: none"> 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 24 hours from the conclusion of such calls, whichever is earlier; ii. the transcripts of such calls shall be made available on the website within 5 working days of the conclusion of such calls:
21.	Events in relation to the corporate insolvency resolution process (CIRP) of the Company under the Insolvency Code.
22.	<p>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 Company:</p> <ul style="list-style-type: none"> 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.
23.	<p>Announcement or communication through social media intermediaries or mainstream media by directors, key managerial personnel or senior management of a 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.</p> <p>Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.</p>

24.	<p>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:</p> <ul style="list-style-type: none"> (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; <p>along with the following details pertaining to the actions(s) initiated, taken or orders passed:</p> <ul style="list-style-type: none"> 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.
25.	<p>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:</p> <ul style="list-style-type: none"> (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; <p>along with the following details pertaining to the actions(s) initiated, taken or orders passed:</p> <ul style="list-style-type: none"> 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.
26.	<p>Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.</p>

Annexure 2

Events specified in Para B of Part A of Schedule III of the Listing Regulations

Sr. No.	Events
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 (entirety or in piecemeal)
3	Capacity addition or product launch.
4	Awarding, bagging/ receiving 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.) or 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)/dispute(s) or outcome thereof which may have an impact on the Company.
9	Fraud/Default 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.
