

## Policy for Determination of Materiality of Events or Information

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## Policy for Determination of Materiality of Events or Information

### 1. Objective

- 1.1. To comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- 1.2. To lay the principles for determining materiality of events/information which require disclosure to the Stock Exchanges where the specified securities of the Company are listed;
- 1.3. To lay the principles for making timely and adequate disclosure of material events/information so as to enable the investors to take well informed decisions; and
- 1.4. To ensure uniformity in the Company's approach towards making disclosures of materiality of events/ information.

### 2. Regulatory Framework

- 2.1. The Securities and Exchange Board of India ("SEBI") on September 2, 2015 notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") which came into effect on December 1, 2015.
- 2.2. Regulation 30 of the SEBI Listing Regulations lays down the guidelines and principles of disclosure of material events or information by listed entities to the Stock Exchanges. Schedule III provides the events or information that may qualify as material for the purposes of disclosure.
- 2.3. On June 14, 2023, SEBI notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 modifying the existing framework pertaining to materiality of events or information. These amendments are effective from July 14, 2023, except for those matters for which separate timelines are prescribed.
- 2.4. In view of the above, the Policy for Determination of Materiality of Events/Information is being revised to align with the amended provisions of Regulation 30 of the SEBI Listing Regulations.

### 3. Definitions

Unless repugnant to the context:

- 3.1. "Act" shall mean the Companies Act, 2013 including the Rules made thereunder.
- 3.2. "Authorised Officer" shall mean the KMP of the Company authorised under clause 7.1. of the Policy.
- 3.3. "Board" shall mean the Board of Directors of the Company.
- 3.4. "Company" shall mean Marico Limited.
- 3.5. "CFO" shall mean the Chief Financial Officer of the Company.

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- 3.6. **"Chairman"** shall mean the Chairman of the Board of the Company.
- 3.7. **"Company Secretary & Compliance Officer"** shall mean the Company Secretary & Compliance Officer of the Company.
- 3.8. **"Executive Committee"** or **"Ex-Com"** shall mean the Committee comprising the Senior Management of the Company, as determined under Regulation 16(1)(d) of the SEBI Listing Regulations, headed by the MD & CEO.
- 3.9. **"Fraud"** in relation to affairs of the Company, includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from, or to injure the interests of the Company or its shareholders or its creditors or any other person, whether or not there is any wrongful gain or wrongful loss.
- 3.10. **"KMP"** shall mean the Key Managerial Personnel of the Company as defined under the Act.
- 3.11. **"Material events/information"** shall mean events/information stated as such under Regulation 30 of the SEBI Listing Regulations read with Part A of Schedule III thereto.
- 3.12. **"MD & CEO"** shall mean the Managing Director and Chief Executive Officer of the Company.
- 3.13. **"Policy"** shall mean the Policy for Determination of Materiality of Event/ Information.
- 3.14. **"SEBI Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 3.15. **"Specified Securities"** means 'equity shares' and 'convertible securities' as defined under the SEBI Listing Regulations.
- 3.16. **"Stock Exchanges"** mean the Stock Exchanges on which the Specified Securities of the Company are listed.
- 3.17. **"Subsidiary"** shall mean subsidiary of the Company as defined under the Act.

## 4. Interpretation

- 4.1 In the Policy, unless the contrary intention appears:
  - 4.1.1 the clause headings are for ease of reference only and shall not be relevant to interpretation;
  - 4.1.2 a reference to a clause number includes a reference to its sub-clauses;
  - 4.1.3 words in singular include the plural and vice versa;
  - 4.1.4 words and expressions used and not defined in the Policy but defined in the SEBI Listing Regulations, Securities and Exchange Board of India Act, 1992, the Act or Securities Contracts (Regulation), 1956, Depositories Act, 1996 and or rules/regulations made

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thereunder or any statutory modification(s) or re-enactment(s) thereto, shall have the meanings respectively assigned to them therein.

### 5. Principles for determining Materiality of Events/Information

- 5.1 The Policy applies to Material events/information specified under Regulation 30 and Part A of Schedule III to the SEBI Listing Regulations.
- 5.2 All events/information stated in Para A of Part A of Schedule III to the SEBI Listing Regulations (listed in Annexure I to the Policy, as amended from time to time) are deemed to be material.
- 5.3 In respect of events/information stated in Para B of Part A of Schedule III to the SEBI Listing Regulations (listed in Annexure II to the Policy, as amended from time to time), the following criteria will be considered for determining materiality of events or information:
  - 5.3.1 the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
  - 5.3.2 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;
  - 5.3.3 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) 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 of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
  - 5.3.4 in case where the criteria specified in sub-clauses 5.3.1 to 5.3.3 is not applicable, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.
- 5.4 In respect of events/information stated in Para C of Part A of Schedule III to the SEBI Listing Regulations (listed in Annexure III to the Policy, as amended from time to time), the Authorised Officer shall determine the materiality of such events / information and shall disclose the same to the Stock Exchanges.
- 5.5 An event/information with respect to any Subsidiary would be considered material if the impact or expected impact in terms of value of such event/ information for the Company exceeds the thresholds mentioned in clause 5.3.3 above.
- 5.6 The Authorised Officer shall disclose the event/information determined as material pursuant to clauses 5.2 to 5.5 above in such manner and within such time as specified under Clause 6 and Clause 7 of the Policy respectively.

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### 6. Time frame for making Disclosure of Events/Information

- 6.1 All events or information that are material in terms of this policy or the SEBI Listing Regulations shall be disclosed as soon as reasonably possible and unless separate timelines are specified in the SEBI Listing Regulations, in no case later than the following:
- 6.1.1 thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;
  - 6.1.2 twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
  - 6.1.3 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:

- 6.2 For the material events/information pertaining to the Subsidiary of the Company, the Authorized Officer may as soon as reasonably practicable considering the nature of the events/information, disclose the particular event/information to the Stock Exchanges.

### 7. Persons Responsible for Disclosure & Process of Disclosure of Events/ Information:

- 7.1 The MD & CEO or the CFO or the Company Secretary & Compliance Officer in consultation with the MD & CEO or CFO (hereinafter severally referred to as "**Authorised Officer**"), shall be responsible to determine the materiality of an event/information for the purpose of the Policy and disclose the same to the Stock Exchanges.
- 7.2 The details to be provided while disclosing a Material event/information shall be based on the requirements/guidance/principles laid down under the SEBI Listing Regulations or circulars issued thereunder from time to time.
- 7.3 The Authorised Officer shall, with respect to the disclosures made under the Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 7.4 The Authorised Officer shall also disclose on the website of the Company all such events/information which have been disclosed to Stock Exchanges under the Policy, and such disclosures shall be hosted on the website for a period of five years and thereafter as per the Policy of the Company on preservation of documents.
- 7.5 The Authorised Officer shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any event/information.
- 7.6 The Authorized Officer shall ensure that the updated Policy is placed on the website of the Company at all times.

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### 8. Mechanism for assisting Authorised Officers on Disclosure

- 8.1. The Members of Ex-Com shall be severally responsible in promptly bringing to the notice of the Authorised Officer, any event/information which will satisfy the materiality criteria under the Policy and the SEBI Listing Regulations.
- 8.2. The Members of Ex-Com and/or KMPs may additionally identify and nominate other internal stakeholder(s) from time to time to identify any potential material event or information and report the same to the KMPs.
- 8.3. Authorised Officers shall thereafter determine the materiality of the said event or information as per the guidelines stated in this Policy and the SEBI Listing Regulations (including circulars issued thereunder), and if required, make necessary disclosures to the Stock Exchanges.
- 8.4. Authorised Officers are authorised to implement the Policy, including taking necessary steps to create awareness amongst relevant stakeholders and establishing any internal guidelines or processes, as required.

### 9. Verification of Rumours

- 9.1. With effect from October 1, 2023 or such other date(s) as may be notified by SEBI as being the effective date, 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 Material event or information are circulating amongst the investing public, as soon as reasonably possible and within such timelines as specified in the SEBI Listing Regulations. Further, if the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

### 10. Provisions contained in the Marico Insider Trading Rules, 2015

- 10.1 The Marico Insider Trading Rules, 2015 ("**Insider Rules**") *inter alia* contain a Code of practices and procedures for fair disclosure of unpublished price sensitive information. To the extent of conflict, if any, between the provisions of the Insider Rules and those of the Policy regarding disclosure of Material events/information, the provisions of the Policy shall prevail.

### 11. General

- 10.1 The Policy would be subject to revision/ amendment in accordance with the applicable laws.
- 10.2 The Company reserves its rights to alter, modify, add, delete or amend any of the provisions of the policy.
- 10.3 In case of any amendment(s), clarification(s), circular(s), notification(s), etc. issued by the relevant authorities under the SEBI LODR Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment thereof, not being consistent with the provisions laid down under the Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc., even if not expressly incorporated in this Policy.

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### Annexure I

#### **A. List of events/information as stated under Para A of Part A of Schedule III of the SEBI Listing Regulations:**

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- paragraph, 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 Company 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- paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
  - 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 Company; 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 Company 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;

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- 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 one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

- 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, 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:

Provided that 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.

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 the Company, its promoter, director, KMP, senior management or subsidiary or arrest of KMP, senior management, promoter or director of the Company, whether occurred within India or abroad:

For the purpose of this sub- paragraph, the terms "Fraud" and "Default" shall have such meanings and explanations as stated in Para A of Part A of Schedule III of the SEBI Listing Regulations.

- 7. Change in directors, KMP, 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, the Company shall make such disclosures as required under the SEBI Listing Regulations within seven days from the date of the resignation.



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- 7C. 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 as given by the KMP, 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 such details as specified in the SEBI Listing Regulations.
  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 extraordinary general meetings of the Company.
  14. Amendments to memorandum and articles of association of Company, in brief.
  15. (a) Schedule of analysts or institutional investors 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:
  16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code as specified in the SEBI Listing Regulations.
  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:

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- 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, 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 the SEBI Listing Regulations and is not already made available in the public domain by the Company.
19. 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 such details pertaining to the actions(s) initiated, taken or orders passed as specified in the SEBI Listing Regulations.
20. 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 (along with such details as specified in the SEBI Listing Regulations):
- 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;
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.

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#### **B. List of events/information as stated under Para B of Part A of Schedule III of the SEBI Listing Regulations:**

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 there of 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 named 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.

### Annexure III

#### **C. List of events/information as stated under Para C of Part A of Schedule III of the SEBI Listing Regulations:**

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.

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