

CORPORATE POLICY ON MATERIALITY FOR DISCLOSURE OF EVENTS TO THE STOCK EXCHANGES

1. Preamble

- 1.1. This Policy has been framed pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”) for determination of materiality of events or information for disclosure (the “**Policy**”).
- 1.2. This Policy shall be known as Corporate Policy on Materiality for Disclosure of events to the stock exchanges where the equity shares of Cochin Shipyard Limited (the “**Company**” or “**CSL**”) are listed (“**Stock Exchanges**”).

2. Applicability

- 2.1. This Policy shall be applicable to all material events which will have to be reported to Stock Exchanges.
- 2.2. The objective of this Policy is to lay down the criteria for determination of materiality of events and information that need to be disclosed to the Stock Exchanges.
- 2.3. The Policy is effective from the date of listing of the equity shares of CSL with the Stock Exchanges.

3. Definitions

- 3.1 “**Act**” shall mean the Companies Act, 2013 and the rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.
- 3.2 “**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.
- 3.3 “**CMD**” means the Chairman and Managing Director of the Company.
- 3.4 “**Compliance Officer**” means the Company Secretary of the Company authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange.
- 3.5 “**Director**” refers to director of the Company.
- 3.6 “**Key Managerial Personnel**” means Key Managerial Personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.

- 3.7 **“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.
- 3.8 **“Material Event”** or **“Material Information”** shall mean such event or information as set out in **this** Policy or as may be determined in terms of the SEBI Listing Regulations. In this Policy, the words, “material” and “materiality” shall be construed accordingly.
- 3.9 **“SEBI”** means the Securities and Exchange Board of India.
- 3.10 **“Senior Management”** shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including all functional heads viz., executives of the Company in the rank of General Managers and above, Unit heads, head of Internal Audit and the Company Secretary.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. Classification of material events / information

4.1 Deemed Material Event / Information

- 4.1.1 The events/ information specified in Para A of Part A of Schedule III to the SEBI Listing Regulations (as listed in Annexure I to this Policy) are deemed to be material events and shall be necessarily disclosed to the Stock Exchanges without applying any test of materiality.
- 4.1.2 The events/ information specified in Para B of Part A of Schedule III to the SEBI Listing Regulations (as listed in Annexure II to this Policy) shall be disclosed to the Stock Exchanges upon application of the guidelines for materiality as specified in this Policy.
- 4.2 (a) The Company may be confronted with the question as to when an event / information can be said to have occurred.

(b) In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the listed entity became aware of the event / information.

In the former, the events / information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events / information after receipt of approval of both i.e. Board of Directors and shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholders' approval.

In the latter, the events / information can be said to have occurred when a listed entity becomes aware of the events / information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

The term "officer" shall have the same meaning as defined under the Act and shall also include promoter of CSL.

4.3 Determination of Materiality

Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/ event. In order to determine whether a particular event or information is material in nature, the following 'quantitative' or 'qualitative' criteria(s) shall be applied:

4.3.1 Quantitative criteria

Materiality shall become applicable to an event or information where the 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 CSL;
- (b) two percent of net worth, as per the last audited consolidated financial statements of CSL, 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 CSL.

4.3.2 Qualitative criteria

Materiality shall become applicable to an event or information:

- (a) if the omission of which is likely to result in a discontinuity or alteration of event or information already available publicly; or
- (b) If the omission is likely to result in significant market reaction if the said omission came to light at a later date; or
- (c) if in the opinion of the Board of Directors of CSL, the event or information is considered material; or
- (d) any other event / information which is treated as unpublished price sensitive information.

4.3.3 Materiality of information to be disclosed in Public Issue offer documents

- (a) For the purposes of determining the litigation(s) to be disclosed in the public issue offer document, materiality threshold will be an impact of 5% of PAT as per the audited financial statements of the Company.
- (b) All criminal proceedings, tax matters (consolidated numbers for direct and indirect tax) and actions taken by statutory and regulatory authorities would be disclosed in the Offer Document irrespective of the amount involved.
- (c) All public interest litigations, environment related matters and other matters which can have a material adverse effect on the financial position of the Company would also be disclosed.

4.3.4 In circumstances where 'quantitative' test may not be applicable, 'qualitative' test may be applied to determine materiality.

4.3.5 The authority for determining the materiality of an event or information for the purpose of this clause shall be the Compliance Officer in consultation with the functional Director, Director (Finance) and CMD.

5. Disclosure Obligations

- 5.1 All the Key Managerial Personnel and Senior Management of CSL shall be under an obligation to identify pertinent information / event *and / or* price sensitive information relating to items covered under para 4 above, which has potential to be classified as material information / event as per this Policy, who shall promptly report the same to the Compliance Officer.
- 5.2 The materiality of events outlined in this Policy is indicative in nature. The Key Managerial Personnel and Senior Management of the Company shall exercise their own judgement while assessing and determining the materiality of events associated with the Company.
- 5.3 Upon receipt of information mentioned at para 5.1 above, the Compliance Officer in consultation with Director (Finance) and CMD shall determine the materiality of such information, and if found material disclose the same to the Stock Exchanges.
- 5.4 The Compliance Officer shall disclose all material events and / or information as soon as reasonably possible and in any case not later than the following:
 - (a) thirty 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 hours from the occurrence of the event or information, in case the event or information is emanating from within CSL;
 - (c) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within CSL.

- 5.5 In case the disclosure is made after the timelines specified in this Policy, the explanation for delay shall also be provided along with the disclosure.
- 5.6 The disclosure under this Policy shall be made in the following manner:
- (a) Inform the Stock Exchanges on which the securities of the Company are listed; and
 - (b) Upload on the website of the Company.
- 5.7 Where any disclosure has been made under this Policy, further updates on regular basis, if any, with relevant explanations shall be made subject to same being approved by Director (Finance) and CMD, Cochin Shipyard Limited.
- 5.8 All the disclosures made under this policy shall be uploaded on website of CSL under the “Investor” section. The same shall be available in the archives for a period of five years from the date of disclosure. Thereafter, the hosting of the same shall be decided as per the policy on preservation and archiving of documents in CSL.
- 5.9 Events or information with respect to subsidiaries, if any, which are material for CSL and as approved by Director (Finance) and CMD, shall also be uploaded on CSL’s website.
- 5.10 CSL shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any events or information.
- 5.11 CSL may on its initiative also confirm or deny any reported events or information to Stock Exchange(s).
- 5.12 In case where an event occurs or an information is available with CSL, which has not been indicated in Para A or B of Part A of Schedule III of the Regulations, but in the opinion of Compliance Officer has a material effect on CSL, it shall make adequate disclosures to the Stock Exchanges.

6. Policy Review

- 6.1 This Policy shall be subject to review/ changes by the Board of Directors as may be deemed necessary subject, however, to the condition that such changes shall not be inconsistent with the applicable statutory provisions, as may be notified, from time to time.
- 6.2 However, the CMD shall have the power to amend any of the clauses of this Policy in the light of changes in statutory provisions, as may be notified, from time to time.
- 6.3 Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

Events/ information which are deemed to be material and shall be necessarily disclosed to the Stock Exchanges without applying any test of materiality

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 CSL, sale of stake in associate company of CSL or any other restructuring.

Explanation (1) – For the purpose of this sub para the word, “acquisition” shall mean:

- (i) acquiring control, whether directly or indirectly; or
- (ii) acquiring or agreeing to acquire shares or voting rights in a company, by CSL, whether existing or to be incorporated, whether directly or indirectly, such that-
 - (a) CSL 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 para 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 of SEBI Listing Regulations.

Explanation (2) - For the purpose of this sub para, “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 CSL; 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 of SEBI Listing Regulations.

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: CSL shall disclose to the Stock Exchanges, within thirty minutes of the closure of the meeting, held to consider the following:
- (i) 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;
 - (ii) Any cancellation of dividend with reasons thereof;
 - (iii) The decision on buy back of securities;
 - (iv) The decision with respect to fund raising proposed to be undertaken
 - (v) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited / dispatched;
 - (vi) 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;
 - (vii) Short particulars of any other alterations of capital, including calls
 - (viii) Financial results;
 - (ix) Decision on voluntary delisting by CSL from Stock Exchanges.

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. (i) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of CSL), 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;
- (ii) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of CSL or of its holding, subsidiary or associate company, among themselves or with CSL 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 CSL or impose any restriction or create any liability upon CSL, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not CSL is a party to such agreements:

Provided that such agreements entered into by CSL 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 CSL or they are required to be disclosed in terms of any other provisions of SEBI Listing 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 CSL shall or shall not act in a particular manner.

6. Fraud or defaults by CSL, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of CSL, whether occurred within India or abroad:

For the purpose of this sub para:

- (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.
- (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.

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.

Explanation (2) - Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on CSL.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.

In case of resignation of the Auditor, detailed reasons for resignation, as given by the said Auditor, shall be disclosed by CSL to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the Auditor.

Resignation of independent director including reasons for resignation: In case of resignation of an independent director, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by CSL:

- (i) The letter of resignation along with detailed reasons for the resignation as given by the said director.
- (ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- (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 CSL to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

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 CSL within seven days from the date that such resignation comes into effect.

In case the Managing Director or Chief Executive Officer 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 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.
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 CSL.
13. Proceedings of annual and extraordinary general meetings of CSL.
14. Amendments to memorandum and articles of association of CSL, in brief.
15. (i) 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 CSL 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.

 - (ii) 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:
 - (a) 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;
 - (b) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.
16. The following events in relation to the corporate insolvency resolution process (CIRP) under the Insolvency Code:
 - (i) Filing of application for initiation of CIRP, also specifying the amount of default;
 - (ii) Filing of application by financial creditors for initiation of CIRP against CSL, also specifying the amount of default;

- (iii) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- (iv) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- (v) List of creditors as required to be displayed under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- (vi) Appointment/ Replacement of the Resolution Professional;
- (vii) Prior or post-facto intimation of the meetings of Committee of Creditors;
- (viii) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- (ix) Number of resolution plans received by Resolution Professional;
- (x) Filing of resolution plan with the Tribunal;
- (xi) Approval of resolution plan by the Tribunal or rejection, if applicable;
- (xii) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (a) Pre and Post net-worth of the company;
 - (b) Details of assets of the company post CIRP;
 - (c) Details of securities continuing to be imposed on the companies' assets;
 - (d) Other material liabilities imposed on the company;
 - (e) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (f) Details of funds infused in the company, creditors paid-off;
 - (g) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (h) Impact on the investor – revised P/E, RONW ratios etc.;
 - (i) Names of the new promoters, key managerial personnel, 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;
 - (j) Brief description of business strategy.
- (xiii) Any other material information not involving commercial secrets.
- (xiv) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- (xv) Quarterly disclosure of the status of achieving the MPS;
- (xvi) The details as to the delisting plans, if any approved in the resolution plan.

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 by listed entities:
- (i) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
 - (ii) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by CSL along with comments of the management, if any.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of CSL, in relation to any event or information which is material for CSL in terms of regulation 30 of SEBI Listing Regulations and is not already made available in the public domain by CSL.
- Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against CSL or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to CSL, in respect of the following:
- (i) search or seizure; or
 - (ii) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (iii) 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:
 - (a) name of the authority;
 - (b) nature and details of the action(s) taken, initiated or order(s) passed;
 - (c) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - (d) details of the violation(s)/contravention(s) committed or alleged to be committed;
 - (e) impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against CSL or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to CSL, in respect of the following:
- (i) suspension;
 - (ii) imposition of fine or penalty;
 - (iii) settlement of proceedings;
 - (iv) debarment;
 - (v) disqualification;

- (vi) closure of operations;
- (vii) sanctions imposed;
- (viii) warning or caution; or
- (ix) any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - (a) name of the authority;
 - (b) nature and details of the action(s) taken, initiated or order(s) passed;
 - (c) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - (d) details of the violation(s)/contravention(s) committed or alleged to be committed;
 - (e) impact on financial, operation or other activities of CSL, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of CSL under section 131 of the Companies Act, 2013.

22. Such events/information as may be specified in SEBI circular number CIR/CFD/CMD/4/2015 dated September 09, 2015 or any other circulars, notifications, rules or regulations specified by SEBI from time to time.

Events/ information which shall be disclosed to the Stock Exchanges upon application of the guidelines for materiality as specified in this Policy

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 CSL:
 - (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (ii) adoption of new line(s) of business; or
 - (iii) 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 CSL 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 CSL.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on CSL.
9. Frauds or defaults by employees of CSL which has or may have an impact on CSL.
10. Implementation of any Employees Stock Option Scheme after CSL has received the approval of the Government in this regard and the Board has approved the methodology.
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.
14. 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 CSL and which may be necessary to enable the holders of securities of CSL to appraise its position and to avoid the establishment of a false market in such securities.

15. Such events/ information as maybe specified in SEBI circular number CIR/CFD/CMD/4/2015 dated September 09, 2015 or any other circulars, notifications, rules or regulations specified by SEBI from time to time.