



POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS



UKB ELECTRONICS LIMITED

1. Introduction/Background/ Purpose of the Policy

UKB Electronics Limited (the “**Company**”) believes in sharing the information to all at the right time and hence the Company will at all-time ensure that all material information is shared through the stock exchanges on which the securities are listed (“**Stock Exchanges**”) in a fair and transparent manner. This policy has been formulated in accordance with the current guidelines laid down by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI Listing Regulations**”), mandates disclosure of any Events or Information which, in the opinion of the Board of Directors/ Governing Board (“**Board**”) of UKB Electronics Limited (“**UKB**” or the “**Company**”), is Material. Regulation 30(4) of the SEBI Listing Regulations requires every Listed Entity to frame a policy for Determination of Materiality of Events or Information that requires appropriate disclosure to the Stock Exchange.

Accordingly, the Company herein sets out a Policy for Determination of Materiality of Events, Information and Disclosure (hereinafter referred to the “**Policy**”).

2. Scope

This Policy is applicable to the Company for determining Materiality of Events and/or Information for making disclosures under Regulation 30 of the SEBI Listing Regulations.

This policy is also applicable to its Subsidiaries, Directors, Promoters, Key Managerial Personnel, Senior Management Personnel/Key Management Personnel to the extent applicable under SEBI Listing Regulations for making disclosures under Regulation 30 read with Schedule III of the SEBI Listing Regulations.

3. Definitions

- (a) “**Act**” means the Companies Act, 2013 including the Rules, Schedules and clarifications, issued by the Ministry of Corporate Affairs and any amendment thereto and/or modification thereof from time to time;
- (b) “**Key Management Personnel**” shall have the meaning assigned to it in Regulation 2(k) of SEBI (Depositories and Participants) Regulations, 2018;]
- (c) “**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Act;
- (d) “**Normal Trading Hour**” shall mean time period for which the recognized stock exchanges are open for trading for all investors;
- (e) “**Senior Management Personnel**” shall mean the officers and personnel of the issuer who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.
- (f) “**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013
- (g) “**Significant Impact**” refers to any event, action, or circumstance that, in the judgment of the Company’s management, has a major effect on the Company’s operations.
- (h) “**Subsidiary**” shall have the meaning assigned to it under sub-section (87) of section 2 of the Act.
- (i) “**Turnover**” shall have the meaning assigned to it in Section 2(91) of the Act;

4. Interpretation

All words and expressions used but not defined in this Policy shall have the same meaning as defined in the Companies Act, 2013 read with Rules made thereunder, SEBI Listing Regulations, SEBI (Depositories and Participants) Regulations, 2018, the Depositories Act, 1996 and any other laws applicable to the Company

including any statutory modification(s) or re-enactment thereof as the case may be.

5. Roles and Responsibilities:

(a) Designated Officers:

Name of KMP	Designation	Contact Details and Address
Mr. Manoj Tayal	Chairman and Managing Director	Address: C-102, Ground Floor, Anand Vihar, Delhi -110092, India Email: investor.relations@ukbindia.com Telephone Number: 0120-4208515
Mr. Vinay Kumar Tayal	Whole Time Director	
Mr. Vikas Makhija	Chief Executive Officer	
Mr. Sudhir Kumar Jain	Chief Financial Officer	
Mr. Ranjeet Singh	Company Secretary & Compliance Officer	

- (b) The Designated officers are authorized for the purposes of determining Materiality of a particular Event/Information based on application of the guidelines for materiality, as specified in para 6 and making disclosures to the Stock Exchange under this Policy.
- (c) The Designated officers of the Company shall propose all Event/Information to the Managing Director based on the application of the guidelines for materiality as specified in para 6 with recommendation whether the Event/Information is material and needs to be disclosed to the Stock Exchange.
- (d) The Managing Director will have the final authority to determine as to whether the Event/ Information should be categorized as material and disclose to the Stock Exchange.
- (e) The Designated officers recommend a particular Event/Information be categorized as material event and the Managing Director does not consider the Event or Information material, the ultimate authority for the decision to disclose such Event or Information will rest with the Governing Board.
- (f) Apart from the above, the Senior Management Personnel/Key Management Personnel and such other persons, as determined by the aforesaid Designated Officers shall be relevant employees to identify potential Event or Information pertaining to their functional roles based on application of the guidelines for Materiality and report the same to said Designated Officers.
- (g) The Designated Officers shall take care to ensure that they are reasonably satisfied that any Event/Information being disclosed is true and correct and does not contain any misrepresentations.
- (h) In case of non-regulatory matters/ business matters (i.e. the matters which are not identified under SEBI Listing Regulations but needs to be reported to the Stock Exchange as such matters can be either material/ price sensitive), the Exchange communication shall be prepared by head of the concerned departments in coordination with Company Secretary & Compliance Officer, who shall be responsible for obtaining the necessary approvals..

6. Policy Details

(A) Mandatory Disclosures

- (a) The Company shall, without application of Materiality guidelines listed in this Policy, disclose Events/Information which are deemed to be Material as indicated in Para 'A' of Part 'A' of Schedule III of the SEBI Listing Regulations.
- (b) The Company shall disclose Events/Information which are Material as indicated in Para 'B' of Part 'A' of Schedule III of the SEBI Listing Regulations subject to application of guidelines for Materiality, as set below:-

Quantitative criteria:

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;

- (b) two percent of net worth, as per the last audited consolidated financial statements, 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;

(B) Disclosure on the basis of application of guidelines for Materiality

Events/Information that must be disclosed on basis of application of guidelines for Materiality are indicated below:

Criteria for determination of Materiality:

The Designated Officers shall determine Materiality on case-to-case basis, based on specific facts and circumstances relating to the Events/Information as and while doing so, it shall consider any of the following factors:

Qualitative criteria:

- (a) Whether there would be any direct or indirect impact on the reputation of the Company and/or any of its Subsidiaries; or materially affect the price of shares of the Company;
- (b) Whether non-disclosure can lead to creation of false market in the securities of the Company;
- (c) Whether there would be a significant impact on the operations or performance of the Company and/or any of its Subsidiaries;
- (d) The omission of an event or information, which is likely to result in discontinuity or alteration of Event or Information already available publicly;
- (e) 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.
- (f) Any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

In case where the above factors are not applicable, an Event or Information may be treated as being Material if in the opinion of the Governing Board the Event or Information is considered Material.

Provided that any confidential information which, if disclosed, is likely to put at risk the business interest of the Company and/or any of its Subsidiaries, shall not be disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchange.

(C) Guidance on occurrence of Event/availability of Information:

- (a) The timing of occurrence of an Event and/or availability of Information has to be decided on a case-to-case basis.
- (b) The Designated Officers of the Company may seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders.
- (c) In case of natural calamities, disruptions etc. the Events/Information can be said to have occurred when the Company becomes aware of the information.
- (d) In matters which would depend on the stage of discussion, negotiation or approval, the Events/Information can be said to have occurred upon receipt of approval by the Governing Board and shareholders, as the case may be.

(D) Guidelines for Rumour Verification

The Company shall confirm, deny, clarify upon the material price movement as may be specified by the Stock Exchange in the mainstream media which is not general in nature and which indicates that rumours of an

impending specific material Event or Information, is circulating amongst the investing public, and also provide the current stage of such event or information. The Company shall based on its market capitalization to be determined as at the end of the immediately preceding financial year, comply with such additional disclosure requirements as specified in the proviso to Regulation 30(11) of the SEBI Listing Regulations.

(E) Disclosure:

(a) The Company shall first disclose to the Stock Exchange all Events or Information which are Material in terms of the Policy and SEBI Listing Regulations 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 of Directors in which the decision pertaining to the Event or Information has been taken; “Provided that in case the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the Board Meeting:

Provided further that in case the meeting of the Board of Directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered;

(ii) Twelve hours from the occurrence of the Event or Information, in case the Event or Information is emanating from within the Company;

(iii) Twenty four hours from the occurrence of the Event or Information in case the Event or Information is not emanating from within the Company;

(iv) Further all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the Stock Exchanges within (72) seventy-two hours of receipt of the notice by the Company.

Explanation:

Disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty-four hours;

(v) Seventy-Two hours of receipt of the notice by the Company, if any litigation or dispute is instituted against the Company (other than tax litigation or dispute) in terms of sub-para 8 of Para ‘B’ of Part ‘A’ of Schedule III. This is applicable only when the Structured Digital Database is maintained under SEBI (Prohibition of Insider Trading) Regulations, 2015;

(b) The disclosure with respect to Events for which timelines have been specified in Part A of Schedule III of Listing Regulations and SEBI circular shall be made within such timelines.

(c) The Company shall explain to the Stock Exchange any delay in such disclosure beyond timeline specified in these Regulations of the occurrence of the Event or Information.

(d) The Company shall ensure that the updated disclosure with respect to the Material Event/Information is made to the Stock Exchange on a regular basis till such time the Event/Information is resolved/closed, with relevant explanation.

(e) The Company shall also disclose all such Events or Information with respect to Subsidiaries which are Material for the Company.

(f) In case an Event or Information is required to be disclosed by the Company in terms of the provisions of

Regulation 30, pursuant to the receipt of a communication from any Regulatory, Statutory, Enforcement or Judicial Authority, the Company shall disclose such communication, along with the Event or Information, unless disclosure of such communication is prohibited by such authority.

- (g) The disclosures to be made under this Policy shall include such Event/Information or details as required under various SEBI Circulars issued on Disclosure of Material Events/Information for Listed Companies pursuant to Regulation 30 and 30A of the SEBI Listing Regulations or as may be otherwise specified by SEBI from time to time, as may be applicable.
- (h) In the event, if Stock Exchange raises any queries with respect to Events/Information disclosed under this Policy, the Company Secretary & Compliance Officer shall provide an adequate reply to the Stock Exchange and satisfactorily answer the queries or provide the clarifications sought.
- (i) The disclosure of Events/Information of price sensitive nature (such as decision on declaration of dividend) shall be made on receipt of approval of the Event by the Governing Board pending the shareholder's approval.
- (j) It is clarified that as regard any Event/Information, only such impact which is direct and perceivable, and not remote, shall be considered.
- (k) The Company shall disclose on its Website all such Events or Information which has been disclosed to the Stock Exchange under this Policy, and such disclosures shall be hosted on the Website of the Company for a minimum period of five years and thereafter as per its Archival Policy.
- (l) In case where an Event occurs or an Information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of SEBI Listing Regulations, but which may have material effect on it, then the Company shall make adequate disclosures in regard thereof.
- (m) Para C of Part A of Schedule III of the Listing Regulations mandates disclosure of any other information along with 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.
- (n) Company may make disclosures of events or information as specified by the SEBI without prejudice to the generality of Para A, B and C of Part A of Schedule III.

7. Review of the Policy

The Board shall conduct a review of the Policy once in a financial year. Material changes to the Policy will need the approval of the Board of Directors. Any subsequent amendment/ modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

8. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company.
