

# POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURES

## 1. Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“LODR”) has mandated every listed company to formulate a policy for determining materiality of events or information that warrant disclosure to its stakeholders. It is in this context that the Policy on Determination of Materiality for Disclosure(s) is being framed and implemented (“Policy”).

In pursuance to the Regulation 30(4)(ii) of the LODR Regulations, 2015, as amended from time to time, it is required that the Board of Directors of every listed Company shall formulate a policy on materiality based on the criteria as specified in the Regulation 30(4)(i) of Listing Regulations and is required to make disclosure of events/information as specified in Part A of Schedule III of Listing Regulations.

Accordingly, the Company has formulated this Policy. This Policy regulates all transactions between the Company and its Related Parties.

This Policy will be effective from the date of listing of equity shares of the Company.

## 2. Definition:

- i. “Chief Financial Officer” or “whole time director” or “head of finance”, by whatever name called, shall mean the person heading and discharging the finance function of the Company as disclosed by it to the recognized stock exchange(s) in its filings under the Listing regulations;
- ii. “Company” Shall mean Stalwart People Services India Limited.
- iii. Industry Standards on Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as notified by SEBI vide its circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/25 dated February 25, 2025.
- iv. Key Managerial Personnel means Managing Director, Chief Financial Officer, Company Secretary or any other person so appointed by the Board of Directors and designated as Key Managerial Personnel (“KMP”) of the Company.
- v. “Main Stream Media” shall have the same meaning as provided in Listing Regulations read with SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/52 dated May 21, 2024 titled and the Industry Standards issued by the Industry

- vi. Standard Forum comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, on a pilot basis, and which has been framed in consultation with SEBI, for effective implementation of the requirements to verify market rumors under Regulation 30(11) of the Listing Regulations.
- vii. “Subsidiary” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the SEBI Listing Regulations, and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder, or any other Act and/or applicable laws or any statutory modification or re-enactment thereto, as the case may be.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Listing Regulations, as amended from time to time.

### 3. Objective and Scope:

- 3.1. The objectives of this Policy are as follows: a
  - 3.1.1 To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly traded company as laid down by the SEBI Listing Regulations, various Securities Laws and any other legislations, as applicable.
  - 3.1.2 To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.
  - 3.1.3 To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
  - 3.1.4 To protect the confidentiality of material/price sensitive information within the context of the Company’s disclosure obligations.
  - 3.1.5 To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
  - 3.1.6 To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

### 4. Type of Information

The information covered by this Policy shall include “information related to the Company’s business, operations, or performance which has a significant effect on securities investment

decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.

Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

## 5. AUTHORISED PERSON FOR DISCLOSURE:

The Board of Directors of the Company shall authorize the Company Secretary and the compliance Officer of the Company as the Authorized Person in consultation with the Managing Director and the Chief Financial Officer to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorized Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as he/she may deem fit.

Any event or information, including the information forming part of Part A, Para A and Para B as well as Part B of Schedule III to the Policy shall be forthwith informed to the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

## 6. Criteria for Determining Materiality:

Materiality will be determined on a case- to- case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determination of materiality of event or information:

- a. The omission of an event or information which is likely to:
  - (i) result in a discontinuity or alteration of an event or information already available publicly; or
  - (ii) result in significant market reaction if the said omission came to light at a later date;
- b. The omission of an event or information whose value or the expected impact in terms of value exceeds the lower of the following:

(i) 2% of turnover as per the last audited consolidated financial statements of the Company;

(ii) 2% 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;

(iii) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

While computing the expected impact in terms of value of an event, the Company shall refer to the Industry Standards.

- c. In case where criteria specified under above-mentioned clauses (a) and (b) are not applicable, an event or information may be treated as material if in the opinion of the Board of Directors of the Company, the event / information is material and ought to be disclosed.
- d. Events or information that is to be disclosed based on materiality principle are specified in Regulation 30 read with Para B of Part A of Schedule III to the Listing Regulations.
- e. Events or information that is to be disclosed without any application of the guidelines for materiality are specified in Regulation 30 read with Para A of Part A of Schedule III to the Listing Regulations.

## 7. Guidance on reporting of an event or information:

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the Listing Regulations read with the Industry Standards, as soon as reasonably possible and in any case not later than the following:

- (i) 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;

Provided that in case the Board of Directors meeting close after normal trading hours of that day but more than 3 hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose decision pertaining to the event or information, within 3 hours from closure of the meeting:

Provided further that in case the meeting of the Board of Directors is being held for more than 1 day, the financial results shall be disclosed within 30 minutes or 3 hours, as applicable, from closure of such meeting for the day on which it has been considered.

- (ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

The Company shall put in place appropriate systems for prompt internal reporting of events to comply with the requirements of Regulation 30 of the SEBI Listing Regulations.

The listed entities, while disclosing material information which is disclosable under Regulation 30(13) of the SEBI Listing Regulations with respect to such communication, shall not be required to disclose confidential and sensitive information, including proprietary information. A summary of key elements of such communication in format specified under the Industry Standards shall be sufficient compliance.

#### **8. Guidance on verification of market rumors:**

In terms of Regulation 30(11) of the Listing Regulations, the Company shall confirm, deny or clarify, upon the material price movement (as provided in the framework issued by the stock exchanges, as may be amended from time to time), any reported event or information in the mainstream media which is not vague or general in nature and which indicates that rumor of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than 24 hours from the trigger of material price movement. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

Further, the promoter, director, key managerial personnel or senior management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the requirements under regulation 30(11) of the listing regulation and the Company shall disseminate the response received from such individual(s) promptly to the stock exchanges.

#### **9. Policy Review:**

The Policy shall be reviewed by the Authorised Person as and when any changes are to be incorporated in the policy due to change in the Regulations or Act or law. Material Changes to this Policy shall require approval from the Board of Directors. Any amendments to the Listing Regulations and Industry Standards on verification of market rumors shall mutatis mutandis be deemed to have been incorporated in this Policy.

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