**POLICY FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION**

***(Amended on August 7th, 2025)***

***[Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)]***

## 1. INTRODUCTION

This Policy for Determining Materiality of Events/Information is framed by the Board of Directors of the Company in accordance with the requirement of SEBI (Listing Obligations and Disclosure Regulations), 2015 (hereinafter referred to as the 'SEBI Listing Regulations'), as amended from time to time

The Board of the Directors of the Company have reviewed, modified and adopted this policy to align the same with the applicable laws, rules and regulations.

## 2. OBJECTIVE AND APPLICABILITY

This policy provides the guidelines adopted by the Company for determining materiality of events or information relating to the Company and procedures laid down for prompt disclosure of such material events/information.

## 3. DEFINITIONS

a) **"Companies Act"** means the Companies Act, 2013, and rules framed there under, each as amended from time to time.

b) **"Company"** means "Balu Forge Industries Limited".

c) "**Board**" means the Board of Directors of the Company

d) **"Key Managerial Personnel"** (KMP) means:

- the Chief Executive Officer or the managing director or the manager
- the Company Secretary;
- the Whole-time director;
- the Chief Financial Officer;
- such other officer, not more than one level below the directors who is in whole-time employment,designated as key managerial personnel by the Board; and
- such other officer as may be prescribed

e) **"Materiality"** in a business parlance, means a concept or convention within auditing, accounting and securities regulations relating to the importance/ significance of an amount, transaction, or discrepancy.

f) **"Policy"** or **"This policy"** means Policy for Determining Materiality of Events/Information;

g) "**SEBI Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder;

h) "**Stock Exchanges**" means the stock exchanges where the equity shares of the Company are listed.

i) "**Relevant Employees**" means the functional head(s) and such other employees of the Company who deal with or who will have access to or may be instrumental in origination of material events/ information in the ordinary course of business.

All words and expressions used but not defined in this Policy shall derive their meaning from the Companies Act, Securities and Exchange Board of India Act, 1992, Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996, and/or the rules and regulations or any statutory modification or reenactment thereto, as the case may be.

## 4. OBJECTIVE OF THE POLICY

The objective of this Policy are as follows:

a) To ensure that the Company complies with the disclosure obligations which it is subject to, as laid down by the SEBI Listing Regulations and other applicable legislations;

b) To ensure that the information disclosed by the Company is timely and transparent;

c) To ensure the corporate documents and public statements are accurate and do not contain any misrepresentation;

d) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company;

e) To ensure uniformity in Company's approach to disclose, raise awareness and reduce the risk of selective disclosure; and

f) To lay down the aspects for determining the materiality of the events/ information and the time frame within which the information should be disclosed.

This Policy has been framed with the objective of providing adequate and appropriate disclosures that are consistent with the facts of the material events. The Company shall ensure timely and accurate disclosure of all material matters including the financial situation, performance, ownership and governance of the Company.

## 5. TYPE OF INFORMATION

The information covered by this Policy shall be "information related to the Company's business operations or performance which has a significant effect on the securities investment decisions" that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

## 6. DISCLOSURE OF EVENTS / INFORMATION

As per the Regulation 30(6) of the Listing Regulations, 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 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;

   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;

b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

c. 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 if all the relevant information, in respect of claims which are made against the listed entity 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, is maintained in the structured digital database of the listed entity 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 exchange(s) within seventy-two hours of receipt of the notice by the listed entity:

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay

Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

**7. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

a. Any information or event, whether positive or negative, should be regarded as “material” if it meets the qualitative and/ or quantitative criteria for materiality set out in this Policy, or is deemed to be material under the Applicable Laws. Materiality will be determined on a case to-case basis depending on specific facts and circumstances relating to the information/event, and Applicable Laws.

b. In no case shall the definition of materiality be less expensive than those under the SEBI Listing Regulations.

c. Events listed in Para A – Part A of Schedule III of Listing Regulations, shall be deemed to be material.

d. Events/information listed in Para B – Part A of Schedule III of the Listing Regulations shall be considered material if it satisfies the materiality criteria stated below:

**I. Qualitative Criteria**

i. the omission of such event or information is likely to result in discontinuity or alteration of event or information already available publicly; or

ii. the omission of such event or information is likely to result in significant market reaction if the said omission came to light at a later date; or

II. **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:

i. Two percent of the turnover, as per the last audited financial statements of the Company;

ii. Two percent of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative;

iii. Five percent of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of the Company.

III. Any other event/ information which, in the opinion of the Board, may be considered to be material, and is not included in this Policy.

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

1) During the course of performance of one's role, the relevant employee/(s) shall be responsible for identifying events/information which has potential to be classified as material events/information as per the policy.

2) Upon identification of potential material events/information, the relevant employee shall promptly report the details of such potential material events/information in the format as mentioned in Annexure I to the Authorized Officer.

**Mode of Communication:** The aforesaid details can be submitted to the authorized Officers by the Relevant Employee using written communication methods such as emails, internal memos, or any other appropriate means.

The details so submitted shall be authentic and comprehensive to enable the Authorised Officers to make informed decisions/ take appropriate actions. The Relevant Employees should exercise necessary diligence to ensure confidentiality of the details being submitted/so submitted to the Authorised Officers.

The Relevant Employees may approach the Authorised Officers to seek guidance/clarity to ensure effective implementation of this policy.

**9. COMPETENT AUTHORITY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION**

As required under Regulation 30(5) of the SEBI Listing Regulations, one or more key managerial personnel authorized by the Board shall be the competent authority to decide materiality of an event/ information for the purpose of making disclosure to the Stock Exchange as well as on the Company's website. Chairman & Managing Director or Executive Directors shall be the Competent Authority to decide the materiality of an event /information or development for the purpose of making the disclosure to the Stock Exchange.

## 10. POLICY REVIEW / AMENDMENTS

The Board of the Company shall have the power to amend this Policy, if required, due to any amendment in the Companies Act, SEBI Listing Regulations or any other acts as applicable.

## 11. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company. The Company shall disclose on its website all such events or information which have been disclosed to the Stock Exchanges under Regulation 30 of the SEBI Listing Regulations.

## 12. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and any existing or newly enacted law(s), rule(s), regulation(s) or standard(s), the provisions of such law, rule(s), regulation(s) or standard(s), shall prevail over this Policy until the Policy is changed to conform to law, rule, regulation or standard.

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**Annexure I**

Format for Submission of Information to Compliance Officer

*(To be filled by the relevant employee)*

| S. No. | Particulars | Remarks |
|---|---|---|
| 1 | Name of the Department | |
| 2 | Name and Designation of originator of Information | |
| 3 | Details of events/Information | |
| 4 | Analysis/working, if any.<br>(For impact of such information on Company) | |
| 5 | Source of Information | |
| 6 | Calendar of Events/milestones (date wise) | |

I, _______________, hereby undertake that the aforementioned information provided by the undersigned is true and to the best of my knowledge. The information is provided in compliance with the Regulation 30 of the SEBI (Listed Obligations and disclosure requirements). The undersigned is being made aware that the above information will be kept strictly confidential and will not be shared except under the circumstances:

a) Under any proceedings or pursuant to any order of courts or tribunals.

b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law; and

c) In compliance with applicable laws, regulations, rules, and requirements.

d) In order to fulfil his/her duties/obligations

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Name and Signature:

Place:

Date: