KHEMANI DISTRIBUTORS & MARKETING LIMITED

POLICY FOR DETERMININING MATERIALITY OF EVENTS OR INFORMATION

[Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 & Companies Act, 2013]

KHEMANI

1. INTRODUCTION

In pursuance of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), **KHEMANI DISTRIBUTORS & MARKETING LIMITED** ("Company") is required to formulate a policy for determination of materiality of events and information which are required to be disclosed to BSE Limited, where the securities of the Company are listed.

2. OBJECTIVE

The objective of this Policy is to determine the event(s) and information(s) which, in the opinion of the Board of Directors of the Company, are considered material and need to be disclosed to the Stock Exchanges within the time limit as prescribed in this Listing Regulation, thereby ensuring a timely and balanced disclosure of all material matters concerning the Company. In terms of this Policy, the Company endeavors to ensure that it is able to meet its disclosure obligations under Regulation 30 of the Listing Regulations; and establish internal procedures to apprise officers of the Company of their obligations relating to systematic identification, categorization, review and disclosure of events or information which may have a material impact on the performance or operations of the Company and which may materially affect the share prices of the Company.

3. MEASURES FOR DETERMINING MATERIALITY

In addition to the event/ information prescribed in Part A of Schedule III the Company will make disclosure of event or information to the Stock Exchanges as specified by the SEBI from time to time. Materiality has to be determined on a case-by-case basis depending on specific facts and circumstances relating to the information or event. In order to determine whether a particular event or information is material in nature, the Board will consider the "quantitative" or "qualitative" criteria mentioned below.

A. Quantitative criteria

Quantitative criteria would be calculated based on audited financial statements of the Company, and would mean event/ information where the value involved or the impact, 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;

B. Qualitative criteria

The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly. 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. In addition to the above, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.

4. MATERIAL EVENTS AND INFORMATION

I. The events specified in Para A of Part A of Schedule III to the Listing Regulations shall be deemed to be material events for the purpose of disclosure to the Stock Exchanges, without application of materiality criterion/ thresholds given in clause 3 above.

II. The following events and information conforming to the qualitative materiality thresholds given in clause 3(B) or quantitative materiality criteria given in clause 3(A) above shall be considered material for the purpose of disclosure to the Stock Exchanges in terms of Regulation 30(3) of the Listing Regulations:

<u>Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)</u>

Sr. No.	Events and Information
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2.	Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) 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 listed entity 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 listed entity.
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.
9.	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10.	Options to purchase securities including any ESOP/ESPS Scheme.
11.	Giving of guarantees or indemnity or becoming a surety 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.

III. The Company shall also disclose any other event or information to the Stock Exchanges which is considered material by the Board of Directors of the Company.

IV. The aforesaid events and information shall be disclosed to the Stock Exchanges in the manner prescribed under Listing Regulations.

5. AUTHORISATION TO DISCLOSE

The Board of Directors of the Company has severally authorized below KMPs to determine the materiality of any event/ information (including that of its subsidiaries) for the purpose of disclosure to the Stock Exchanges.

Sr. No.	Name of Key Managerial Personnel	Designation	Contact Details
1	Mr. Vijaykumar Khemani	Chairman & Managing Director	**Khemani Distributors & Marketing Limited** **Reg. Office:** Plot No.: D / 91-92, Laxminarayan Industrial Park, Near BRC Compound, Udhna, Bhestan Surat-394210, Gujarat **Email Id.:** investors@khemanigroup.net **Contact No.:** +91-9737747888
2	Mr. Amitkumar Khemani	Whole Time Director & CFO	
3	Ms. Charmi Soni	Company Secretary & Compliance Officer	

6. IDENTIFICATION OF RELEVANT EMPLOYEES AND OBLIGATION RELATED TO DISCLOSURE:

The employees of the Company having access to, or becoming aware of the occurrence of, an event and/or information which are referred in Para 4 above shall report such event or information, as soon as possible, to the persons identified in Para 5 above so as to enable them to determine the materiality of an event / information and disclose the same to the stock exchanges within specified timeline.

Any such event/ information shall be forthwith informed by the relevant employees to the authorised persons with adequate supporting data/ information, to facilitate a prompt and appropriate disclosure to the Stock Exchanges.

7. DISCRETION TO MAKE DISCLOSURE RELATING TO EVENT/ INFORMATION WHERE MATERIALITY TEST IS NOT SATISFIED

Where the authorized persons are satisfied that although a particular event/ information does not meet the test of materiality as above, disclosure of information in relation thereto will ensure that investors are better informed with regard to the Company or non-disclosure of such information will distort the market for the Company's securities, such information may be disclosed to the Stock Exchanges under the Regulations.

8. DISCLOSURES ON WEBSITE

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges 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 the archival process followed by the Company.

9. AMENDMENTS AND UPDATES

This Policy may be reviewed and amended by the Board from time to time, as deemed necessary or in line with applicable laws, regulations, or guidelines. In case of any regulatory changes inconsistent with this Policy, the provisions of such regulatory updates shall prevail.

#This policy was reviewed and approved by Board of directors in their meeting held on 21/05/2025 #