



# KUMAR ARCH TECH LIMITED

**(Formerly known as Kumar Arch  
Tech Private Limited)**

## **POLICY FOR DETERMINATION OF MATERIALITY THRESHOLD FOR DISCLOSURE OF EVENTS OR INFORMATION**

**(As envisaged under Regulation 30 of SEBI (Listing Obligation and  
Disclosure Requirement) Regulations, 2015)**

**Version – 01**

**Date of the approval by the Board:** September 09, 2024

**Effective Date:** From the date of listing of the  
equity share capital of the Company  
on the relevant stock exchanges

## **POLICY FOR DETERMINATION OF MATERIALITY THRESHOLD FOR DISCLOSURE OF EVENTS OR INFORMATION**

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### **1. BACKGROUND**

The Board of Directors (the “Board”) of Kumar Arch Tech Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (The Policy). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

### **2. PURPOSE**

There are some material events/ information concerning the Company which are price sensitive and are expected to have material effect on the Company. Hence, purpose of this Policy is to determine materiality of events and information and to ensure that the Company shall make prompt disclosure of such events/ information as specified in Para A and B of Part A of Schedule III of the Listing Regulations.

### **3. APPLICABILITY**

This policy will be applicable with effect from the date of listing of the Equity share capital of the Company on the relevant stock exchanges.

### **4. MATERIALITY OF EVENTS OR INFORMATION**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) (“**Para A Events**”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

The Company shall disclose all such material events or information as specified in Para B of Part A of Schedule III of the Listing Regulations (“**Para B Events**”) subject to application of guidelines for materiality, as set out under the Listing Regulations.

### **5. CRITERIAL FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

The Company shall follow the following criteria for determination of materiality of events/ information:

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

- ii. 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;
- iii. The omission of an event or information, whose value or the expected impact in terms of value, **exceeds the lower** of the following:
  - a.) **2% of turnover**, as per the last audited consolidated financial statements of the Company;
  - b.) **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;
  - c.) **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;
- iv. In addition to the events/information referred to in above clause, the Company shall also disclose any events or information which, in the opinion of the Board and any Authorised person in this regard, is considered material.

## **6. AUTHORITY TO DETERMINE MATERIALITY**

- i. The materiality or otherwise of an information or event in terms of SEBI Listing Regulations, shall be determined severally or jointly by the Managing Director and Whole time Directors (Authorised Person/s).
- ii. The Authorised Person shall have the powers and responsibilities as specified in this clause:
  - To take a view on the materiality of an event which may qualify for disclosure and resolve any computation and interpretation issues whilst making the materiality assessment.
  - To determine the appropriate time at which the disclosures are to be made to the stock exchanges, based on an assessment of the actual time of occurrence of an Event to be reported.
  - To review and finalise the details to be disclosed, in consultation with and only after the approval of Chairman or Managing Director of the Company.
  - To make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
  - To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
  - To formulate operational guidelines for deployment of this Policy.

The materiality of events outlined above are indicative in nature. Accordingly, the Chairman or Managing Director of the Company /Authorised Person/s (as above) shall exercise his/her own judgment while assessing the materiality of events / information associated with the Company.

## **7. DISCLOSURE OF EVENTS OR INFORMATION**

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
- ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
- iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty-four) hours from the occurrence of the event or information.

In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

## **8. GUIDELINES FOR COMMUNICATION**

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, 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.

## **9. DISSEMINATION OF THE POLICY**

This policy shall be uploaded on the website of the Company i.e. [www.echon.co](http://www.echon.co)

## **10. REVIEW AND AMENDMENTS IN THE POLICY**

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the Clauses/provisions in the Policy inconsistent with the Regulations, the provisions of the Listing Regulations would prevail over the Policy and the Clauses/provisions in the Policy would be deemed to be modified accordingly. The Board also, at its discretion, has the power to review and revise the Policy.

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