

**ADVANCED ENZYME TECHNOLOGIES LIMITED**  
**[CIN: L24200MH1989PLC051018]**

**POLICY FOR DETERMINING MATERIAL EVENTS**  
**& INFORMATION**

**(Here and after referred as the “Policy”)**

<b>Sr.No.</b>	<b>Particulars of Event</b>	<b>Effective Date (unless otherwise mentioned in this revised Policy)</b>
1	Adoption of the Policy	January 13, 2016
2	First Amendment in the Policy	February 09, 2019
3	Second Amendment in the Policy	July 14, 2023

**Objective:**

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) [“SEBI Listing Regulations”], the Board of Directors (the “Board”) of Advanced Enzyme Technologies Limited (the “Company”) has first adopted the Policy at its meeting held on January 13, 2016, for determination of material events and information so that such event and information can be promptly disclosed to the stock exchanges, as per the prescribed regulations. The Policy shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel. The Policy was then reviewed & revised (in substitution of the existing policy) in its Board meeting held on February 09, 2019 (effective from February 09, 2019). Further, The Policy was reviewed & revised (in substitution of the existing policy) in its Board meeting held on August 12, 2023 (effective from July 14, 2023).

**Definition:**

All words/terms 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 applicable provisions of the Companies Act, 2013/ the Securities Contracts (Regulation) Act, 1956 / the Depositories Act, 1996 and/or the rules and regulations made thereunder, and/or any other applicable laws including any statutory modification from time to time or re-enactment thereto, as the case may be. The term ‘listed entity’ means an entity which has listed, on a recognised stock exchange(s), the designated securities issued by it or designated securities issued under schemes managed by it, in accordance with the listing agreement entered into between the entity and the recognised stock exchange(s).

**1. Policy and Principles for determining materiality of events/Information**

- A. The Key Managerial Personnel authorised by the Board herein shall determine the materiality of any event or information, classify it as a material event or Information and for the purpose of making disclosure to the Stock Exchanges (where the Securities of the Company are listed). Any two of Mr. Mukund Kabra (Whole-time Director), Mr. Beni P Rauka (Chief Financial Officer) and Mr. Sanjay Basantani (Company Secretary) be & hereby jointly authorised to determine the materiality of any event or information and/or classify it as a material event or information pursuant to the terms of this Policy/SEBI Listing Regulations. Any one is authorised to make the disclosure of said material event or information to the said Stock Exchanges.
- B. All the events and information stated under Para A of Part A of Schedule III (or such other regulation / Schedule as may be notified from time to time) of the SEBI Listing Regulations are deemed to be material.
- C. Besides such deemed Material events (as specified above), the Company shall consider the criteria specified under Regulation 30(4) of SEBI Listing Regulations (including any statutory modification or re-enactment thereto, as the case may be) for

determination of materiality of events/ information. Extract of regulation 30(4) is provided as Annexure I to this Policy.

D. In some cases, to ascertain materiality, thresholds as prescribed in clause 2.C of this Policy, cannot be applied, in such cases, the Key Managerial Personnel authorised by the Board herein (as mentioned above) shall determine the materiality on a case to case basis, based on specific facts and circumstances relating to the information/event and while doing so, they may consider the criteria specified in Regulation 30(4) of the SEBI Listing Regulations (ref. Annexure I of this Policy) including but not limited to the following factors:

- (i) Whether there would any direct or indirect impact on the reputation of the Company; or
- (ii) Whether non-disclosure can lead to creation of false market in the securities of the Company; or
- (iii) Whether there would be a significant impact on the operations or performance of the Company.

*[An illustrative list of Material Event and Information described in clause 2.B and 2.C of this Policy is annexed, which shall be deemed amended to the extent of any amendment, from time to time in SEBI Listing Regulations]*

The aforesaid authorised Key Managerial Personnel shall have the following powers and responsibilities for determining the materiality of the events or information:

- (i) Review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of the specific facts and circumstances prevailing at a given point in time;
- (ii) Determine the appropriate time at which the disclosures for the said event / information shall be made by the Company to the Stock Exchanges;
- (iii) Assess and accordingly disclose updates that are material in nature on a regular basis to the Stock Exchanges, till such an event or information is resolved/closed;
- (iv) Consider and assess such other events or information, if any, that may require disclosure to the said Stock Exchanges which are not explicitly specified in the SEBI Listing Regulations and to review and determine the materiality, appropriate time and contents of disclosure for such matters.
- (v) Any other incidental or related matters as may be required including to seek the advise/guidance/opinion from the Attorney/ other internal or external stakeholders as they may deem fit.

E. In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation, amendment, notification, circular or standard

governing the Company, then provisions of such law, rule, regulation, amendment, notification, circular or standard shall take precedence over the Policy and the provisions of the Policy shall be deemed to be modified to that extent, and may be enclosed as an annexure II to this Policy.

**2. Guidance on when a material Event / Information is deemed to have occurred**

In certain instances, occurrence of a material event would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. In case in-principle approval or approval to explore (which is not the final approval) is accorded by the Board of Directors, the same shall not require disclosure under SEBI Listing Regulations.

In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of such officer's duties.

**3. Obligations of the employees/other internal stakeholders of the Company**

All the employees / internal stakeholders are responsible to forthwith disclose any event or information as specified in this Policy (including the Annexures hereto) to the aforesaid Key Managerial Personnel, immediately upon occurrence, with adequate supporting information, to facilitate timely assessment by the said Key Managerial Personnel/Board (as the case may be) and if required under this Policy, to make an appropriate disclosure by the Company to the Stock Exchanges.

**4. Dissemination**

Pursuant to Regulation 30 of the SEBI Listing Regulations, this Policy and any amendment thereto shall be posted on the website of the Company. Also the contact details of such authorised personnel have been disclosed to the Stock Exchanges where the shares of the Company are listed as well as the Website of the Company.

**Annexure I to this Policy:**

**Extract of regulation 30(4) (as on Effective date of this revised Policy):**

*(i) The listed entity shall consider the following criteria for determination of materiality of events/ information:*

*a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or*

*b) 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; or*

*c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:*

*(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;*

*(2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;*

*(3) 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 listed entity;*

*d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material*

*Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.*

**(The aforesaid Extract shall be deemed to be amended as and when SEBI Listing Regulations/the aforesaid are amended by the SEBI, with effect from such date as may be notified by SEBI from time to time)**

**Annexure II to the Policy:**

**Indicative list of material events to be disclosed under Regulation 30 of the SEBI Listing Regulations, which shall be deemed amended to the extent of any amendment, from time to time in the SEBI Listing Regulations (as and when such material events are applicable to the Company being the listed entity):**

**A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) of the SEBI Listing Regulations and Clause B of the Policy:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or
- (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –
  - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. New Rating(s) or Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched
  - b. any cancellation of dividend with reasons thereof;
  - c. the decision on buyback of securities;
  - d. the decision with respect to fund raising proposed to be undertaken
  - e. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
  - g. short particulars of any other alterations of capital, including calls;
  - h. financial results;
  - i. decision on voluntary delisting by the Company from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the

Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of the SEBI Listing Regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that Company shall or shall not act in a particular manner

6. Fraud or defaults by the Company , its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

(i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.]

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the



date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

- i. The letter of resignation along with] detailed reasons for the resignation as given by the said director
  - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
  - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (i) Decision to initiate resolution of loans/borrowings;
  - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
  - (iii) Finalization of Resolution Plan;
  - (iv) Implementation of Resolution Plan;
  - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
10. One time settlement with a bank.
11. Winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.

13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. (a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

(i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;

(ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
  - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
  - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - f) Appointment/ Replacement of the Resolution Professional;
  - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
  - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - i) Number of resolution plans received by Resolution Professional;
  - j) Filing of resolution plan with the Tribunal;
  - k) Approval of resolution plan by the Tribunal or rejection, if applicable;

- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
    - (i) Pre and Post net-worth of the company;
    - (ii) Details of assets of the company post CIRP;
    - (iii) Details of securities continuing to be imposed on the companies' assets;
    - (iv) Other material liabilities imposed on the company;
    - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - (vi) Details of funds infused in the company, creditors paid-off;
    - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
    - (ix) Names of the new promoters, 428[key managerial personnel], if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
    - (x) Brief description of business strategy.
  - m) Any other material information not involving commercial secrets.
  - n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
  - o) Quarterly disclosure of the status of achieving the MPS;
  - p) The details as to the delisting plans, if any approved in the resolution plan
17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b) Final forensic audit report (other than for forensic audit initiated by regulatory /enforcement agencies) on receipt by the Company along with comments of the management, if any.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of the SEBI Listing Regulations and is not already made available in the public domain by the Company.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- a) search or seizure; or
  - b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i) name of the authority;
    - ii) nature and details of the action(s) taken, initiated or order(s) passed;
    - iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
    - iv) details of the violation(s)/contravention(s) committed or alleged to be committed;
    - v) impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- (a) suspension;
  - (b) imposition of fine or penalty;
  - (c) settlement of proceedings;
  - (d) debarment;
  - (e) disqualification;
  - (f) closure of operations;
  - (g) sanctions imposed;
  - (h) warning or caution; or
  - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) initiated, taken or orders passed:
- i. name of the authority;
  - ii. nature and details of the action(s) taken, initiated or order(s) passed;
  - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
  - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
  - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
21. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

**B. Events which shall be disclosed upon application of the guidelines for materiality as per Clause (1C) of the Policy (which shall be deemed amended to the extent of any amendment(s), from time to time in the SEBI Listing Regulations):**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:
  - a) arrangements for strategic, technical, manufacturing, or marketing tie- up; or
  - b) adoption of new line(s) of business; or
  - c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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 Company 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 Company.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety , by whatever named called, 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

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