

# **SHARPLINE BROADCAST LIMITED**

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CIN No.L22100DL1990PLC039464

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

### **I. Introduction**

This Policy shall be called '**Policy for determination of Materiality of Events or Information**' of Sharpline Broadcast Limited ("the Company"). This Policy has been framed in accordance with the requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations].  
The Board shall review, and if found required, may amend this Policy from time to time.

### **II. Objective**

The purpose of this Policy is to provide overall governance framework for ascertaining the materiality of events or information relating to the Company and to ensure that the Company disseminates such events and information promptly to the Stock Exchanges, on which the securities of the Company are listed. This Policy shall co-exist with the Code for Prevention of Insider Trading of the Company.

### **III. Definitions**

1. **Company** means SHARPLINE BROADCAST LIMITED.
2. **Key Managerial Personnel** shall mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.
3. **Listing Agreement** shall mean an agreement that is entered into between a recognized stock exchange and the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. **Material Event or Material Information** shall mean such event or information as may be determined in accordance with Clause IV of this Policy.
5. **Policy** means '**Policy for determination of Materiality of Events or Information**' of the Company, as may be amended from time to time.
6. **Regulations** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other applicable law or regulation to the extent applicable to the Company.

### **IV. Person(s) responsible for determining materiality of event or information for making**

## **disclosure**

Chairman & Board of Director of the Company or any other person authorized by the board shall be severally authorized to determine materiality of events or information as per guidelines given below and for the purpose of making disclosure(s) to stock exchanges, where the securities of the Company are listed, subject to the provisions of this Policy:

1. the event or information is, in any manner, unpublished price sensitive information;
2. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
3. 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; and
4. any other event/information which, in the opinion of the Board of Directors of the Company, may be considered to be 'material'.

Further, concerned Head of Departments (HoDs) shall be responsible for giving prompt intimation relating to any event or information pertaining to their respective functional areas, to the Company Secretary. In case any such event or information is required to be disclosed or is material in nature, but is not in the knowledge of concerned HoD or comes to his knowledge subsequently, concerned HoD shall report it to the Company Secretary immediately upon becoming aware of it.

On receipt of communication of such event or information, the matter will be reviewed by the Company Secretary and disclosures shall be made accordingly

Chairman and WTD of the Company shall be authorized to approve any changes in the person(s) responsible for making disclosures and to nominate any other KMP for this purpose, as may be required from time to time.

### **V. Events which are deemed to be Material Events**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR 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 LODR 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.

### **VI. Events which are dependent on application of guidelines for materiality**

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the LODR Regulations ("Para B Events") subject to application of guidelines for materiality, as set out under the LODR Regulations.

#### **Guidelines for determining materiality of events or information:**

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or

(b) 2% (two per cent) of consolidated 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)); or

(c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

**Qualitative criteria** would mean an event/ 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) any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

## **VII. Guidelines on occurrence of an event / information & its timely disclosure**

The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under:

(a) depends upon the stage of discussion, negotiation or approval; and

(b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under VII(a), the events/information can be said to have occurred upon receipt of approval of the 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. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under VII(b), 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 entity has, or

ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

## **VIII. Disclosure**

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

## **IX. Hosting of Information on the Company's Website**

The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under this Policy, and such disclosures shall be hosted on the Company's website for a minimum period of five years and thereafter as per the archival policy of the Company. The contact details of KMPs responsible for making disclosures shall be disclosed to the Stock Exchange(s) and also hosted on the Company's website. Further, the Policy shall be disclosed on the website of the Company.

## **X. Amendments**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.