

POLICY FOR DETERMINING MATERIALITY OF EVENTS**1. Objective**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

2. Scope

The Policy has been prepared in accordance with the applicable provisions of the Listing Regulations.

This Policy describes, inter alia, the illustrative list of events or information which are considered to be material as per the Listing Regulations and/ or in the opinion of Board. The Board vide this Policy has attempted to prescribe guidance for deciding the magnitude of the materiality of events and information.

This policy shall be put on the website of the Company.

3. Definitions & Interpretations

In this Policy, unless the context otherwise requires:

(a) "Board" shall mean the Board of Directors of the Company and shall include any Committee thereof authorized for the purpose.

(b) "Company" shall mean KRETTO SYSCON LIMITED.

(c) "Committee" means any Committee formed under the delegated authority of the Board.

(d) "Key Managerial Personnel" means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

(e) "Listing Regulations" shall mean SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

(f) "Net worth" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013

(g) "Stock Exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.

(h) "Turnover" means turnover as defined in sub-section (91) of section 2 of the Companies Act, 2013.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Listing Regulations and/or Companies Act 2013.

4. Guidelines For Determining Materiality Of Events Or Information

Events / information shall be considered as Material if it meets any of the following criteria:

(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 which 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:

(i) 2% of Turnover, as per the last audited consolidated financial statements of the Company;

(ii) 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;

(iii) 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;

(d) Any other event/information which in the opinion of the Board of Directors of the Company is considered as material event/information.

'Absolute value of profit or loss after tax' means absolute figures of profit/ loss. The threshold with respect to profit/ loss is to be computed by taking the absolute values of profit or loss after tax for the immediately preceding three audited consolidated financial statements of the Company.

5. Timeframe For Disclosures Of Events Or Information

(a) In accordance with Amended Regulations, all events or information which are material shall be first disclosed to Stock Exchanges as soon as reasonably possible and in any case not later than the following:

(i) 30 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;

(ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

(iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

(b) The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations shall be made within such timelines.

(c) In case the Company discloses any event or information after the timelines specified under the Listing Regulations, it shall, along with such disclosure provide the explanation for the delay.

(d) The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

(e) The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

(f) The listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

(g) The company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. Provided that the stock exchange(s) shall disseminate information and clarification as soon as reasonably practicable.

(h) In case where an event occurs or information is available with the company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

(i) In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

6. Market Rumour Verification

With effect from 1st October, 2023 or such other date as may be prescribed under the Listing Regulations, and as applicable to the Company, the Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumors of an impending specific material event or information in terms of the provisions of the Listing Regulations are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

Until then, the Company may on its own initiative also, confirm, deny or clarify any reported event or information to Stock Exchange(s).

7. Authority To Key Managerial Personnel

Managing Director and Chief Financial Officer of the Company shall severally have the authority to determine Materiality of any event or information and Company Secretary and Compliance Officer shall make disclosures of the same to stock exchange(s), subject to the provisions of this Policy.

Contact details:

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Phone - +91 9879520100

8. Assistance To Relevant Employees

Relevant employees shall be guided by this Policy in identifying any potential material event/information, which comes to their knowledge and the same shall be reported to the Managing Director and Chief Financial Officer of the Company for determining the materiality of the said event/information and making necessary disclosures to the Stock Exchange(s).

9. 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.

10. Scope And Limitation

In the event of any conflict between the provisions of this Policy and SEBI (LODR) Regulations, 2015, Companies Act, 2013, Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement/ Companies Act, 2013, Regulations or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

11. Dissemination Of Policy

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.