



B.S. SPONGE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

This policy shall be known as the policy for determination of materiality of events/ information” (the “**Policy**”) and has been made for B.S. Sponge Limited (**Company**”) pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (the “**Listing Regulations**”). The board of directors of the Company (“**Board/Board of Directors/Directors**”) have adopted the Policy at their meeting held on September 26, 2026.

1. OBJECTIVE AND SCOPE

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, in which the securities of the Company are listed. The scope of the Policy is as follows:

- i. determination of materiality of certain events/information for appropriate disclosures as required thereunder;
- ii. specifying timelines for disclosure of material events/information to the stock exchanges; and
- iii. specifying roles and responsibilities of various functions/persons in relation to materiality assessment and dissemination of material events/information.

The terms and expressions used herein shall have the same meaning as assigned to those terms under the Companies Act, 2013, as amended (“**Act**”), Listing Regulations, or any other applicable laws or regulations, as the case may be, as amended from time to time.

2. APPLICABILITY

The Policy shall be applicable to the Company with effect from the date of approval of the Board September 26, 2026.

3. DEFINITIONS

In this Policy:

“**Act**” shall mean the Companies Act, 2013 including the rules made thereunder, as amended from time to time.

“**Compliance Officer**” shall mean the company secretary of the Company, and in his/her absence, any other senior officer designated so and reporting to the Board as mentioned in the Listing Regulations;

“**CFO**” shall mean the chief financial officer of the Company or such other person, by whatever name called, who supervises the finance function of the Company;

REGISTERED OFFICE

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CORPORATE OFFICE

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“**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Act

“**PIT Code**” shall mean the code of conduct to regulate, monitor and report trading by designated persons, adopted by the Board of the Company;

“**SEBI**” shall mean the Securities and Exchange Board of India;

“**Stock Exchanges**” shall mean the stock exchanges on which the securities of the Company are listed.

Words and terms used in this Policy and not defined herein, but defined in the Listing Regulations, the PIT Code, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the Depositories Act, 1996, as amended or the Act, shall have the meanings respectively assigned to them in such code or legislation or any statutory modification or re-enactment thereto, as the case may be.

4. AUTHORITY TO MAKE DISCLOSURES

The Compliance Officer and the CFO (“**Authorised Person(s)**”) shall, jointly, determine whether any disclosure needs be made to the Stock Exchanges under the Listing Regulations in relation to any event, based on their assessment of impact of such event against the materiality thresholds detailed below and shall ensure that the disclosures are suitably uploaded on the Company’s website. The Authorised Persons are empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they deem fit. The details of the Authorised Persons shall be disclosed to the Stock Exchanges and on the Company’s website.

Further, all senior management personnel who are responsible for relevant areas of the Company’s operations must report immediately to the Authorised Persons, about occurrence of any event or information which in their opinion may require disclosure. On receipt of communication of such event or information, the matter will be reviewed and assessed by the Authorised Persons in regard to its accuracy and materiality of such event or information in terms of this Policy. Where the Company is not certain about materiality of event/information, it may refer the matter for the external legal advice expeditiously. On completion of the assessment, the Authorised Persons shall, if required, make appropriate disclosure(s) to the Stock Exchanges. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination in the first instance. Information may subsequently also be disclosed via other media, including the press, website and direct email.

5. DISCLOSURE OF INFORMATION RELATING TO EVENTS DEEMED TO BE MATERIAL

In relation to all events that are listed under Para A of Part A of Schedule III to the Listing Regulations, the Company shall disclose to the Stock Exchanges, the information required by the Listing Regulations in the manner required by the Listing Regulations and as prescribed by SEBI.

The events or information specified in Para A of Part A of Schedule III of the Listing Regulations will be disclosed without the application of any materiality thresholds as soon as reasonably possible from the occurrence of such event/ information, but not later than the timelines prescribed by SEBI under the circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 (as amended from time to time), as these are “deemed” to be material events.

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Provided that in case the disclosure is made after the prescribed timeline, the Company shall, along with such disclosures provide explanation for the delay.

6. DETERMINATION OF MATERIALITY FOR OTHER EVENTS

Events other than those deemed material (discussed above), including events listed under Para B of Part A of Schedule III of the Listing Regulations shall be considered as material if they meet the criteria listed below:

- 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; or
- iii. the omission of an event or information, whose value or expected impact in terms of value, exceeds the lower of the following:
 - a) 2% of the turnover, as per the last audited consolidated financial statements of the Company;
 - b) 2% of the 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% of the average of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

It is clarified that 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.

Where the financial statements are not audited at the time of determining materiality of an event, the Company may consider taking into account the latest audited financial statements for the said purpose.

In case where the criteria specified in sub-clauses (i), (ii) and (iii) is not applicable, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.

In case where an event occurs or information is available with the Company, which has not been indicated in Para A or Para B of Part A of Schedule III of the Listing Regulations, but which may have material effect on the Company, the Company shall make adequate disclosures.

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 the disclosure of such communication is prohibited by such authority.

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The Authorised Persons shall determine as to whether an event/information is material or not and also, at the time of its occurrence, in terms of value as specified above. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, both the 'quantitative' and 'qualitative' factors shall be considered.

Note:

Without prejudice to the generality of above, the Company may make disclosures of event/information as specified by the Board from time to time.

7. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING THE COMPANY

All shareholders, promoters, promoter group entities, related parties, Directors, Key Managerial Personnel and employees of the Company or of its holding, subsidiary and associate companies, if any, who are parties to the agreements specified in clause 5A of para A of part A of Schedule III to the Listing Regulations, shall inform the Company about such agreements to which the Company is not a party and the Company shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within such timelines as may be specified by the SEBI from time to time.

8. TIMELINES FOR DISCLOSURES:

- i. The Company shall first disclose to the Stock Exchange(s) all events or information which are material in terms of the provisions of Listing Regulations as soon as reasonably possible and in any case not later than the following:
 - a) thirty 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;
 - b) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
 - c) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company;

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of Listing Regulations shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified, the Company shall, along with such disclosure provide the explanation for the delay.

In case the meeting of the Board closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the Board meeting.

In case the meeting of the Board is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered. The Company shall disclose all events or information with respect to our material subsidiaries.

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The disclosure and timelines in respect of material events and information pursuant to this Policy shall at all times be in accordance with the requirements of Regulation 30 of the Listing Regulations and Schedule III of the Listing Regulations, and applicable requirements specified by SEBI under SEBI Circular SEBI/HO/CFD/CFD-PoD 1/P/CIR/2023/123 (Disclosure of material events / information by listed entities under Regulations 30 and 30A of Listing Regulations, each as amended, supplemented, modified or replaced from time to time, and any such amendment, supplementation, modification or replacement shall be deemed to be part of this Policy.

- ii. The Company 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.
- iii. The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under the Listing Regulations, 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.

9. DISCLOSURE PROCESS

Any event purported to be reported under Regulation 30 of Listing Regulations shall be informed to the Authorised Person on an immediate basis upon occurrence, with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other Event, even if not covered under the Listing Regulations but is potentially of price sensitive nature or non-disclosure of which would result in discontinuity or alteration of publicly available information or is likely to result in a significant market reaction if disclosed at a later date, must also be informed, for further evaluation to the Authorised Person.

The Authorised Person will be responsible for ascertaining whether an event is to be reported on the basis of nature of information, applicability of deeming provisions, relevant impact in terms of discontinuity of market information and materiality. The secretarial, finance and compliance teams shall assist the Authorised Person in such assessment.

After evaluation, the Authorised Person shall issue a suitable disclosure notification to the Stock Exchanges, in consultation with the managing Director or chief executive officer. The secretarial team shall assist Authorised Person in such issuance.

The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination in the first instance. Information may subsequently also be disclosed via other media, including the press, website and direct email.

Statutory timeframes for disclosure shall be adhered with. Delay, if any, should be sufficiently explained along with the disclosure.

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10. DISCRETION TO MAKE DISCLOSURES

Where the Authorised Persons are satisfied that although a particular event 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 Listing Regulations.

Any information/ events with respect to subsidiary of the Company which are material for the Company, shall also be disclosed to the Stock Exchanges.

Further, the Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

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 the disclosure of such communication is prohibited by such authority.

In addition, with effect from such date as may be specified by the SEBI, if the Company is determined to be among the top 100 or 250 listed companies by market capitalization as at the end of the immediately preceding financial year, the Company shall confirm, deny or clarify upon the material price movement as may be specified by the Stock Exchanges any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of Regulation 30 of the Listing Regulations are circulating among the investing public, as soon as reasonably possible but in any case not later than 24 hours from the trigger of material price movement together with the current stage of the event or information (if confirmed by the Company).

Provided further that when the Company confirms within twenty four hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended or pricing norms provided under Regulation 8 or Regulation 9 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended or pricing norms provided under Regulation 19 or Regulation 22B of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended or any other pricing norms specified by the Board or the Stock Exchanges are applicable, then the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by the SEBI.

The promoter, Director, Key Managerial Personnel or senior management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the requirements provided above and the Company shall disseminate the response received from such individual(s) promptly to the Stock Exchanges.

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B.S. SPONGE LIMITED

(formerly known as B.S. Sponge Private Limited)

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11. PUBLICATION OF THE POLICY

This Policy, upon its adoption by the Board of the Company, along with contact details of the persons authorised to make disclosures hereunder, shall be uploaded on the Company's website and any updates hereto shall be promptly reflected on the Company's website. The Company shall disclose on its website all such events or information which have been disclosed to the relevant 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 policy of the Company.

12. REVIEW / AMENDMENT

The Board can amend this Policy, as and when deemed fit. In case of any amendments, clarifications, circulars etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendments, clarifications, circulars etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendments, clarifications, circulars etc.

SD/-
Ashish Agarwal
Managing Director

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