

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

OF



BABA ARTS LIMITED

[AMENDED & EFFECTIVE FROM 21ST MAY 2024]



A. INTRODUCTION

Equity shares of Baba Arts Limited (the “**Company**” or “**BAL**”) are traded in India on the BSE Limited.

Pursuant to the requirements under the Regulation 30 and other applicable regulations (if any) under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other relevant rules and statutes including circulars, clarifications, guidelines or other relevant regulatory guidance (by whatever name called) (hereinafter referred to as the “**Applicable Laws**”) have been considered while drafting this Policy for determining Materiality for Disclosures (the “**Policy**”).

The Policy applies in respect of disclosure of material events in relation to BAL, its Subsidiaries, Directors, Promoters, Key Managerial Personnel, Senior Management Personnel as required under Applicable Laws. This Policy is in addition to, and does not derogate from other applicable policies of BAL relating to disclosure of information from time to time.

B. AUTHORISED PERSONS

The Company Secretary & Compliance Officer will be the custodian of the disclosure process.

The contact details of the Company Secretary & Compliance Officer are: - Naishadh H. Mankad
Email:- investors@babaartslimited.com and telephone:- +91 9820075503.

The Company's Key Managerial Personnel and Compliance Officer shall determine materiality of information/ events and dissemination of the same as covered by this Policy. The Compliance Officer or his/her designee, in each case, shall pre-approve, in consultation with Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”), any deviation from the policies and procedures outlined in this Policy. The Company Secretary will be the single point of contact for the above signatories who are authorized to determine materiality and make distributions covered by this Policy.

The Senior Management Personnel and such other persons, as determined by the aforesaid authorized persons shall be relevant employees for the purpose of this policy, to identify potential event or information pertaining to their functional roles and report the same to the aforesaid Authorized Persons. The manner and timing of communication, and the details to be communicated shall be as specified by BAL from time to time.

Board of Directors, CEO, CFO, Key Managerial Personnel, Senior Management Personnel, Subsidiary and all other words not defined herein shall have the same meaning as assigned to those terms under the Listing Regulations, Companies Act, 2013 (“**Act**”) or any other applicable laws & regulations, as the case may be.

C. MATERIALITY ASSESSMENT

1. Any information or event, whether positive or negative, should be regarded as “material” if it meets the qualitative and/ or quantitative criteria for materiality set out in this Policy, or is deemed to be material under the Applicable Laws. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event, and Applicable Law.
2. In no case shall the definition of materiality be less expansive than those under the Listing Regulations.
3. Events listed in Para A – Part A of Schedule III of Listing Regulations, shall be deemed to be material and shall be disclosed without application of materiality criteria.
4. Events/information listed in Para B – Part A of Schedule III of the Listing Regulations, shall be considered material if it satisfies the materiality criteria stated below:

I. Qualitative Criteria

(a) the omission of such event or information is likely to result in discontinuity or alteration of event or information already available publicly; or

(b) the omission of such event or information is likely to result in significant market reaction if the said omission came to light at a later date; or

II. Quantitative Criteria

If the value or the expected impact in terms of value of such event or information exceeds the lower of the following:

(a) Twenty Five percent of turnover, as per the Company’s last audited annual financial statements;

(b) Twenty Five percent of net worth, as per the Company’s last audited annual financial statements, except in case the arithmetic value of the net worth is negative;

(c) Ten percent of the average of absolute value of profit or loss after tax, as per the Company’s last three audited annual financial statements.

5. To determine the materiality of other events/information which are not covered under 3 or 4 above, relevant qualitative and quantitative criteria, as determined by the Board of Directors of the Company, shall be considered.
6. Notwithstanding anything stated above, the Board of Directors of the Company may prescribe any other criteria, from time to time, to determine materiality of events/information under this Policy. However, such criteria shall not dilute the requirements prescribed under the Listing Regulations.



D. TIMELINES FOR DISCLOSURE

The Company shall disclose all events or information within the timelines specified in the Applicable Laws.

E. DISCLOSURE OF THE POLICY

This Policy will be uploaded on the website of the Company.

F. EVENTS/INFORMATION WITH RESPECT TO SUBSIDIARIES

The Company shall disclose all events or information with respect to Subsidiaries as are required under Applicable Laws.

G. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This policy shall be periodically reviewed and updated.