



COMMERCIAL SYN BAGS LIMITED

CIN: L25202MP1984PLC002669

***POLICY ON DETERMINATION OF
MATERIALITY FOR DISCLOSURE OF
EVENTS OR INFORMATION***

Registered Office: Commercial House, 3-4, Jaora Compound, M.Y.H. Road, Indore – 452001, M.P. INDIA
Ph. +91-731—2704007, 4279525 Fax : +91-731-2704130 E –mail : investors@comsyn.com, Visit at: www.comsyn.com

1. PREAMBLE

1.1. This Corporate Policy on Materiality for Disclosure (**the “Policy”**) has been framed pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time. The Policy provides a framework for determining the materiality of events or information that require disclosure to the stock exchanges.

1.2. This Policy shall be known as Corporate Policy on Materiality for Disclosure of events to the stock exchanges where the equity shares of Commercial Syn Bags Limited (hereinafter referred to as the **“Company”**) are listed (**“Stock Exchanges”**).

2. OBJECTIVE

2.1. This Policy shall be applicable to all material events which will have to be reported to Stock Exchanges.

2.2. The objectives of the Policy are as follows:

- To ensure that the Company complies with the disclosure obligations to which it is subject to as laid down by the Listing Regulations, various securities laws and other applicable legislations;
- To ensure that the information disclosed by the Company is timely and transparent;
- To ensure the corporate documents and public statements are accurate and do not contain any misrepresentation;
- To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company;
- To ensure uniformity in Company’s approach to disclose, raise awareness and reduce the risk of selective disclosure;
- To lay down the aspects for determining the materiality of the events / information and the time frame within which the information should be disclosed.

2.3. The objective of this Policy is to lay down the criteria for determination of materiality of events and information that need to be disclosed to the Stock Exchanges.

2.4. The Policy shall come into effect from the and the amended Policy, shall be effective from February 14, 2025.

3. DEFINITIONS

3.1. **“Act”** shall mean the Companies Act, 2013 and the rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

3.2. **“Board of Directors”** or **“Board”** means the board of directors of the Company, as constituted from time to time.

3.3. **“CMD”** means the Chairman and Managing Director of the Company.

3.4. **“Compliance Officer”** means the Company Secretary of the Company authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange.

3.5. **“Director”** refers to the director on the Board of the Company.

3.6. **“Key Managerial Personnel”** means a key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

3.7. **“Listing Agreement”** shall mean an agreement that is to be entered into between recognized stock exchanges, on which the equity shares of the Company are listed and the Company pursuant to the SEBI Listing Regulations.

3.8. **“Material Event”** or **“Material Information”** shall mean such event or information as set out in this Policy or as may be determined in terms of the SEBI Listing Regulations. In this Policy, the words, “material” and “materiality” shall be construed accordingly.

3.9. **“SEBI”** means the Securities and Exchange Board of India.

3.10. **“Stock Exchanges”** means the National Stock Exchange of India Limited and BSE Limited.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS /INFORMATION

The Company 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;

(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 Company;
- (2) two percent 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; and
- (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 Company;

(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 Company, 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 Company 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.

Provided further that the policy for determination of materiality will 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, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

5. TIME LIMIT FOR DISCLOSURE OF EVENT OR INFORMATION TO THE STOCK EXCHANGE:

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- i. 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;

“Provided that in case the meeting of the board of directors 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:

Provided further that in case the meeting of the board of directors 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.

- ii. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- iii. 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 if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the Company:”

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of LODR Regulation shall be made within such timelines.

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

“Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.”

6. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:

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

The Following shall be events upon occurrence of which company shall make disclosure to Stock Exchange without any application of the guidelines for materiality as specified in Regulation 30(4) LODR Regulation:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.
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) the outcome of meetings of the board of directors, held to consider the following:
 - (i) dividends recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - (ii) any cancellation of dividend with reasons thereof;
 - (iii) the decision on buyback of securities;
 - (iv) the decision with respect to fund raising proposed to be undertaken including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;
 - (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - (vi) 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;
 - (vii) short particulars of any other alterations of capital, including calls;
 - (viii) financial results;
 - (ix) decision on voluntary delisting by the Company from stock exchange(s);
5. 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 a 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 these regulations.

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.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.
 - a. 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.
 - b. 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 are 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.

- c. 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 Company within seven days from the date that such resignation comes into effect.
 - d. 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)(i) Schedule of analysts or institutional investors meet;
- (ii) Presentations prepared by the Company for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.

(b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:

i) The audio 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 video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;

iii) the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges 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, key managerial persons(s), 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 Company:
- 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 these regulations and is not already made available in the public domain by the Company.

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) taken or orders passed:

- 1.name of the authority;
- 2.nature and details of the action(s) taken or order(s) passed;
- 3.date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- 4.details of the violation(s)/contravention(s) committed or alleged to be committed;
- 5.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.

7. EVENTS WHICH DEPENDS ON APPLICATION OF GUIDELINES:

The Company shall disclose all such material events specified in Para B of Part A of Schedule III of the LODR Regulation subject to application of guidelines for materiality. The Following shall be events upon occurrence of which company shall make disclosure to Stock Exchange subject to application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

I. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

II. Any of the following events pertaining to the Company:

- arrangements for strategic, technical, manufacturing, or marketing tie-up; or
- adoption of new line(s) of business; or
- closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).

III. Capacity addition or product launch.

IV. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business.

V. 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.

- VI. 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.
- VII. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- VIII. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
- IX. Fraud/defaults etc. by employees of the Company which has or may have an impact on the Company.
- X. Options to purchase securities including any ESOP/ESPS Scheme. Giving of guarantees or indemnity or becoming a surety for any third party.
- XI. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- XII. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

VOLUNTARY DISCLOSURE:

Major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

8. AUTHORIZED KEY MANAGERIAL PERSONNEL (KMP) AND CONTACT DETAILS FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCKEXCHANGE:

The following KMPs is authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange:-

- 1. Chief Financial Officer
- 2. The Company Secretary
- 3. Managing Director

CONTACT DETAILS:

EMAIL: cfo@comsyn.com/ cs@comsyn.com

Contact No: 9329566972

Details of above KMPs shall be also disclosed to the stock exchange and as well as on the Company's website.

9. MISCELLANEOUS

1. The policy shall be disclosed on the website of the Company i.e . <https://comsyn.com>
2. Managing Director may review the Policy from time to time, however any material changes in policy will take effect only after it got approval of the Board of Directors of the Company.
3. If there is any inconsistency between the provisions of this Policy and the Regulations, the provisions specified in the Regulations would prevail and any amendment in the Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

Note: The above said policy was review and updated by the Board of directors at their meeting held on 14th February, 2025.