

## **United Spirits Limited**

### **Policy for determination of materiality**

#### **A. Background**

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a policy for determination of materiality, based on the criteria specified in the Listing Regulations, is required to be framed by the Company, and duly approved by the Board of Directors of the Company, and published on the Company's website.

This Policy on materiality for disclosures is accordingly adopted pursuant to the foregoing Listing Regulations with effect from December 1, 2015 and amended with effect from November 8, 2023.

#### **B. Applicability**

This Policy is intended to ensure that all disclosures of material information are made in accordance with and without diluting the requirements under the Listing Regulations. This Policy shall be read together with Code for Fair Disclosure framed and adopted by the Company pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Regulation 30 of Listing regulations have classified disclosure of material events/information, in to following categories:

- (i) Events specified in Para A of Part A of Schedule III of SEBI LODR which are deemed material events
- (ii) Events specified in Para B of Part A of Schedule III of SEBI LODR, based on application of the guidelines for materiality as specified in clause 2 below
- (iii) Other events as specified in Para C of Part A of Schedule III of the Listing Regulations.

All terms defined in the Listing Regulations used in this Policy shall have the meaning given in the Listing Regulations. This Policy shall be interpreted and applied in accordance with the provisions of the Listing Regulations as amended from time to time. Any subsequent amendment / modification in the Listing Regulations shall automatically apply to this Policy and this policy will be updated to reflect such amendment/modification.

C. **Authority for Determining Materiality**

In terms of Regulation 30(5) of the Listing Regulations, a Disclosure Committee comprising of Managing Director and Chief Executive Officer (MD & CEO), Executive Director and the Chief Financial Officer (ED & CFO) and Company Secretary with General Counsel as a permanent invitee has been set up which is hereby authorized to make determination of materiality of any event/transaction/information for purposes of disclosure pursuant to and as required by the Listing Regulations. The Disclosure Committee may invite such other executives as may be decided on a case-to-case basis.

Further the Managing Director & Chief Executive Officer (MD & CEO) or Executive Director & Chief Financial Officer (ED & CFO) shall severally identify whether a matter is potentially material for consideration by Disclosure Committee under the Listing Regulations in below situations:

- a. such an event is not explicitly covered in Para A or Para B of Part A of Schedule III of the Listing Regulations or SOP;
- b. events specified in Para C of Part A of Schedule III of the Listing Regulations
- c. events as per E a) and b) below

Further the events/information specific to company and industry as considered material information by the Board of Directors from time to time will be disclosed to Stock Exchanges. Such events will be listed in the SOP.

The relevant employees as listed in the SOP shall be severally responsible for promptly informing any event/information which shall satisfy the materiality criteria under the Policy and the SEBI Listing Regulations/otherwise be potentially price sensitive in nature and providing the necessary details in the prescribed format to the Disclosure Committee to enable the Disclosure Committee to discharge their obligations as per this policy.

D. **Standard Operating Procedure**

The Standard Operating Procedure (SOP) framed by the Company shall define the relevant employees for the purpose of this Policy and provide a framework to assist the relevant employees in identifying any potential material event or information and reporting the same to the Disclosure Committee.

In the event the disclosure is determined to be material under the Listing Regulations as amended from time to time (including pursuant to Schedule III thereof) or is material as per the thresholds specified in the Regulations and Standard Operating Procedure (“SOP”) that are approved by the Board pursuant to this Policy, such matters have to be considered as material and disclosed in accordance with the Listing Regulations and no separate determination of materiality shall be required by the Disclosure Committee.

E. **Materiality Criteria of the event or information**

The Company shall follow the following criteria for determining the materiality of events or 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) 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;
  - 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;

F. **Subsidiaries**

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company based on the criteria laid out in point E above.

G. **Continual Disclosure**

The disclosures referred to in this Policy shall be followed by further disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

H. **Market Rumour**

The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s). With effect from February 1, 2024 or such other date as per the Listing regulations, 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 rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four 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.

I. **Time Period for Disclosure**

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 and forming part of SOP 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;
- 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:

The 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.

J. **Dissemination on Website**

The Policy will be hosted on the website of the Company

K. **Scope and Limitation**

In the event of any conflict between the provisions of this Policy and SEBI LODR/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI LODR / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

L. **Archival Policy**

Pursuant to Sub Regulation 8 to Regulation 30 of the Regulations, the Company is required to have an Archival Policy for retaining disclosures on the Company's website.

In this regard, the Company's archival policy is to provide for retaining disclosures made under this Policy and disclosed on the Company's website for a minimum period of five years. The authority referred to in Point C above for determining materiality shall have the discretion to decide on retention periods for such disclosures on the website beyond a period of five years.

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