



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

Contents

BACKGROUND	2
OBJECTIVE	2
DEFINITIONS.....	2
TYPE OF EVENTS OR INFORMATION	3
PERSON AUTHORISED BY THE BOARD FOR DETERMINING MATERIALITY.....	3
POWERS AND RESPONSIBILITIES OF AUTHORIZED PERSON	3
MATERIALITY CRITERIA	4
TIMEFRAME FOR DISCLOSURE.....	5
REVIEW AND AMENDMENT OF THE POLICY	5
DISCLOSURE OF THE POLICY.....	6

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION	Date of Approval of Board 17 th February, 2025
	PACE DIGITEK LIMITED

BACKGROUND

The Policy is framed in accordance with the requirements of Companies Act, 2013 (hereinafter referred as “Act”) and Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) [including any amendments thereof].

OBJECTIVE

The objective of this Policy is to:

- a) Assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to Authorized persons.
- b) ensure timeliness, transparency and continuity in compliance to the disclosure requirement as laid down by the Listing Regulations and any other applicable legislations.
- c) provide a framework that supports and fosters confidence in the quality and integrity of material information released by the Company.
- d) endeavor that corporate documents and public statements are fair and do not contain any misrepresentation at the same time maintaining the confidentiality of material/ price sensitive information.
- e) ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

DEFINITIONS

“Board of Directors” or “Board” means the Board of Directors of Pace Digitek Limited, as constituted from time to time.

“Company” means Pace Digitek Limited.

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

“Chief Financial Officer” shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognized stock exchange(s) in its filing under these regulations.

“Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION	Date of Approval of Board 17 th February, 2025
	PACE DIGITEK LIMITED

“Relevant Employees” shall encompass the key management and senior management of the Company as defined in Nomination and Remuneration Policy.

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

TYPE OF EVENTS OR INFORMATION

The events or information covered by this Policy shall include:

- Events or information that are deemed to be material as specified in Para A of Part A of Schedule III of Listing Regulations.
- Events or information which are to be disclosed based on application of guidelines for materiality as specified Para B of Part A of Schedule III of Listing Regulations.
- Any other event or information which are likely to affect business i.e. change in accounting policy having significant impact on the accounts etc.
- Events or information as specified by Board from time to time.

PERSON AUTHORISED BY THE BOARD FOR DETERMINING MATERIALITY

The Board of Directors of the Company have authorized the Chief Financial Officer, and the Company Secretary (herein referred to as “Authorized Persons”) to determine the materiality of an event or information and to make appropriate disclosure to the Stock Exchanges and Company’s website on a timely basis.

Relevant employees shall refer to this Policy in identifying any potential material event/information and shall report the same to the Authorized person for determining the materiality of the said event/information and making necessary disclosures to the Stock Exchange(s).

POWERS AND RESPONSIBILITIES OF AUTHORIZED PERSON

The Authorized Persons are also empowered:

- a) To seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- b) To call for information from all its internal stakeholders including the heads of its Subsidiaries, Promoters.

The Authorized Person(s) shall have the following responsibilities for determining the material events or information:

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION	Date of Approval of Board 17 th February, 2025
	PACE DIGITEK LIMITED

- a) To put in place an adequate mechanism for collecting relevant information and events on a real time basis, to the extent possible, to enable appropriate disclosures under this Policy. The mechanism should include the responsibility of all internal stakeholders to report all events and information as covered Para A, B and C of Part A of Schedule III of Listing Regulations.
- b) To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- c) To determine the appropriate time at which the disclosures are to be made to the stock exchanges and on the Company's, website based on an assessment of actual time of occurrence of an event or information.
- d) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- e) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such event or information.
- f) To disclose all events or information with respect to the subsidiaries which are material for the Company.

MATERIALITY CRITERIA

The following criteria shall be applied for determination of materiality of events or information by the Authorized Persons:

- 1) The omission of an event or information:
 - Which is likely to result in a discontinuity or alteration of an events or information already available publicly; or
 - Which is likely to result in significant market reaction if the said omission came to light at a later date; or
 - Whose value or the expected impact in terms of value, exceeds the lower of the following:
 - a) 2% of turnover, as per the last audited consolidated financial statements of the Company;
 - b) 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;
 - c) 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.
- 2) Any event or information having a significant risk to the reputation of the Company.
- 3) In the opinion of the Board of Directors of the Company, the events or information ought to be disclosed though not required to be statutorily intimated.

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION	Date of Approval of Board 17 th February, 2025
	PACE DIGITEK LIMITED

TIMEFRAME FOR DISCLOSURE

In accordance with Regulation 30(6) of Listing 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:

- 1) 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;

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 listed entity 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.

- 2) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- 3) 24 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 listed entity 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 listed entity 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 listed entity.

The disclosure with respect to events or information deemed to be material shall be made within such timelines as specified in Para A of Part A of Schedule III of Listing Regulations.

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.

REVIEW AND AMENDMENT OF THE POLICY

- a) The Board shall review the Policy from time to time and shall amend as may be required in accordance with the applicable regulations.
- b) In the event of any conflict with respect to any particular clause of this policy and the relevant applicable law of the land shall prevail, to the extent that it concerns itself with that particular clause. The rest of the policy will continue to remain valid.

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION	Date of Approval of Board 17 th February, 2025
	PACE DIGITEK LIMITED

DISCLOSURE OF THE POLICY

As required under the Listing Regulations, the Policy shall be disclosed on the Company's website and a web link shall be provided in the Annual Report.

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