POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

PREAMBLE:

Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as **"Listing Regulations"**] requires every listed entity to formulate a policy for determining 'materiality' of events/ information and to disclose such policy on the website of the Company.

DEFINITIONS:

Determined Authority

Determined Authority means Managing Director, Chief Financial Officer and Company Secretary of the Company, acting individually or jointly, who will be entitled to take a view on the materiality of an event that qualifies for disclosure and to decide the appropriate time and details of disclosure to be filed.

Material Events

Material Events means the individual transaction or arrangement which, in the opinion of the Determined Authority is significant to the operations or performance of the Company as well as any price sensitive information.

Company

The Company or Company means "The Southern Gas Limited."

Price Sensitive Information

"Price-sensitive information" means any information which relates, directly or indirectly, to a company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.

SEBI REQUIREMENTS FOR MATERIAL EVENTS AND INFORMATION:

The events that need to be disclosed to the stock exchange(s) are broadly divided into following 3 categories:

1. Para A of Part A of Schedule III of Listing Regulations - Events considered material.
2. Para B of Part A of Schedule III of Listing Regulations - Events deemed material subject to guidelines.
3. Para C of Part A of Schedule III of Listing Regulations - Other events/ information.

EVENTS WHICH SHALL BE CONSIDERED "MATERIAL":

All events covered in Para A of Part A of Schedule III of Listing Regulations.

EVENTS DEEMED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED IN SUB-REGULATION (4) OF REGULATION 30: CRITERIA:

The Company shall consider the following criteria for determining 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. 2% percent of turnover, as per the last audited consolidated financial statements of the listed entity;
   2. 2% percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
   3. 5% percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;

The above criteria shall stand automatically modified in line with any further amendment made by SEBI in LODR in this regard.

The events/information which shall be disclosed upon application of guidelines for materiality pursuant to Para B of Part A of Schedule III of the SEBI Regulations are as follows:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the listed entity:
   a. arrangements for strategic, technical, manufacturing, or marketing tieup; or
   b. adoption of new line(s) of business; or
   c. closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).

3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. 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.

6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

OTHER EVENTS/ INFORMATION:

Events/ information that may include but are not restricted to-

1. Emergence of new technologies;
2. Expiry of patents;
3. Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof;
4. 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,
5. Market sensitive information;
6. Any event which in the view of Board is material.

DISCLOSURES OF MATERIAL EVENTS AND INFORMATION:

a) The Company shall disclose all events or information in terms of the Regulation 30 to the stock exchanges as soon as reasonably possible and not later than the following:
   i. 30 minutes from the closure of the Board meeting in which the decision pertaining to the event or information has been taken
   ii. 12 hours from the occurrence of event or information, in case the event or information is emanating from within the Company;
   iii. 24 hours from the occurrence of event or information, in case the event or information is not emanating from within the Company.

b) Disclosures for events or information for which timelines have been specified in Part A of Schedule III of Listing Regulations shall be made within such timelines;

c) In case the disclosure is made after the timelines mentioned in the regulations, the Company shall provide explanation for the delay along with the disclosure.

d) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved/closed, with relevant explanations.

e) The Company shall also disclose all events and information with respect to its subsidiaries which are material for the Company.

f) 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 that is not general in nature and indicates that a rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible, but in any case not later than twenty-four hours from the trigger of material price movement.

g) Events and information which have been disclosed to the Stock Exchanges under this Policy shall be placed on the website of the Company and shall be hosted on the website for a minimum period of five years. On expiry of the period of five years, such disclosures shall be dealt with in accordance with the Archival Policy of the Company.

DISCLOSURE ON WEBSITE:

All such material events/ information shall also be posted on the website of the Company.

REVIEW / AMENDMENTS:

The Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the applicable provisions of the Listing Regulations and amendment(s) thereto notified by the Securities and Exchange Board of India and/or the Stock Exchanges, from time to time. In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Act, rules framed thereunder and Listing Regulations (“Statutory Provisions”), the Statutory Provisions shall prevail.

Further, amendments in the Statutory Provisions shall be binding even if not incorporated in this Policy.

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