

# Policy for Determination of Materiality of Events and Information

## 1. Object and Scope

This Policy for determining ‘materiality of events and information’ has been framed in accordance with the provisions of Chapter IV of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 ( Listing Regulations ) as enacted and effective from December 1, 2015.

The Policy will be used to determine materiality of events that occur in the Company and the information that the Company possesses. The Policy shall also provide the framework for disclosure of such material events and information of the Company to the Stock Exchanges where the shares of the Company are listed and the public at large.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules made thereunder, as amended, from time to time.

## 2. Determination of Material Events and Information

- (i) Events specified in Para A of Part A of Schedule III of Listing Regulations as mentioned in Annexure A to this Policy are deemed to be material events and the Company shall make disclosure of the occurrence of such events to the Stock Exchanges.
- (ii) The Company shall make disclosure of events specified in Para B of Part A of Schedule III of Listing Regulations as mentioned in Annexure B to this Policy, based on application of the following guidelines for materiality:

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- (a) the omission of disclosure of an event or information, which is likely to result in discontinuity or alteration of information about the event or information already available publicly; or
- (b) the omission of disclosure of an event or information, which is likely to result in significant market reaction if the said omission came to light at a later date;
- (c) in case where the criteria specified in (a) and (b) above are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors, the event / information is considered material.

### **3. Framework for disclosure of material events and information**

The Company shall disclose to the stock exchange(s) all events or information, as specified in Annexure A, as soon as reasonably possible but not later than twenty four hours from the occurrence of the event or information.

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, Company shall, along with such disclosures provide explanation to the Stock Exchanges for delay.

Provided further that disclosure with respect to events specified in sub-para 4 of Annexure A shall be made within thirty minutes of the conclusion of the Board meeting.

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

All the events or information which has been disclosed to stock exchange(s) shall be posted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

The Company shall disclose to the Stock Exchanges all events or information with respect to subsidiaries which are material for the Company.

The Company shall also disclose any other information/ event ( not covered under Annexure A and B) viz. 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 false market in such securities.

Without prejudice to the generality of whatever is stated in the foregoing paragraphs, the Company may make disclosures of any event/ information as specified by the Board from time to time.

#### **4. Personnel responsible for determining material events and information**

The following Key Managerial Personnel, namely the Managing Director and any one of the Chief Financial Officer and the Company Secretary shall determine the materiality of an event or information of the Company. Any one of the following Key Managerial Personnel, namely the Managing Director, the Chief Financial Officer and the Company Secretary is authorized for the purpose of making disclosures of such material event or information to the Stock Exchange(s). The contact details of the aforesaid Key Managerial Personnel shall be given to the Stock Exchange(s).

#### **5. Disclosure Requirements**

As required under the Listing Regulations, this Policy shall be posted on the website of the Company.

#### **6. Policy Review:**

This policy is framed pursuant to the provisions of the Listing Regulations and keeping in view the provisions of the Companies Act 2013 ( Act ) and Rules thereunder.

In case of any subsequent changes in the Listing Regulations or in the provisions of the Act or the Rules thereunder or any other law which makes any of the provisions of this Policy inconsistent with the Listing Regulations/ Act/ law, then the provisions of the Listing Regulations/ Act/ law would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with the law.

#### **7. Effective Date:**

This Policy shall be effective from December 1, 2015.

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## ANNEXURE A

### A. Events which shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality:

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 listed entity or any other restructuring.

Explanation- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
  - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
    - (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
    - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
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. Revision in Rating(s).
  4. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
    - a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
    - b) any cancellation of dividend with reasons thereof;
    - c) the decision on buyback of securities;
    - d) the decision with respect to fund raising proposed to be undertaken



- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - f) 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;
  - g) short particulars of any other alterations of capital, including calls;
  - h) financial results;
  - i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture 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.
  6. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
  7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
  8. Appointment or discontinuation of share transfer agent.
  9. Corporate debt restructuring.
  10. One time settlement with a bank.
  11. Reference to BIFR and 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 the Company, in brief.
  15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;



## ANNEXURE B

### **Events which shall be disclosed upon application of the guidelines for materiality:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) 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 Company 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 Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

