



Policy for determination of materiality of events & disclosure thereof

Adopted by the Board on 09/11/2015
& applicable w.e.f 01/12/2015

1. INTRODUCTION & OBJECTIVE:

Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015 states about disclosure requirements by a listed entity. Every listed entity is required to make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.

Events specified in Para 'A' of Part 'A' of Schedule III (**annexure I**) are deemed to be material events and listed entity shall make disclosure of such events. **The listed entity shall make disclosure of events specified in Para 'B' of Part 'A' of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4) of regulation 30.**

This policy is intended to provide guideline for determination of materiality based on criteria specified in listing regulations.

2. DEFINITIONS: Any words used in this Policy shall have the same meaning as prescribed to it in SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015 or the Companies Act, 2013 or Rules made thereunder or SEBI Act, Rules and Regulations made thereunder.

3. 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 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) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- 9) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- 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.
- 13) Any other information/event 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

4. EVENTS/INFORMATION NOT COVERED BY POLICY:

This Policy does not apply to events:

- a. consisting of information that has been publicly disclosed, widely disseminated and readily available to the public and that the public has had sufficient time to process and absorb;
- b. consisting of non-material information;
- c. **made to or by those who owe the Company a duty of trust or confidence or otherwise expressly agree in writing to maintain the information in confidence;**
- d. to employees of the Company (even if they are also stockholders of the Company).

5. PRINCIPLE FOR DETERMINATION OF MATERIALITY:

The listed entity 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) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

Generally an event/Information shall be considered as "material" if a reasonable investor would likely consider it important in deciding whether to buy, hold or sell a security. Both positive and negative events/information may be material, and information that something is likely to happen or even just that it may happen can be material.

6. KEY MANAGERIAL PERSONALS AUTHORIZED TO ACT FOR THE COMPANY:

The Company's Key Managerial Personals authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and to speak on behalf of the Company (including



responding to inquiries from Market Participants, the investment community or the media) in accordance with this Policy ("Authorized Spokespersons") shall include:

- A Whole Time Director
- Company Secretary

7. DETERMINATION OF MATERIALITY:

- (i) The Authorized persons shall monitor and consider developments within the Company that may require public disclosure in accordance with the Listing regulations.
- (ii) Events specified in Annexure 1 shall be disclosed without considering their materiality.
- (iii) Events which are required to be disclosed upon application of the guidelines for materiality shall be disclosed after determination of materiality by authorized persons.
- (iv) In situations where the determination of materiality is not clear, the authorized persons shall discuss the matter with other directors as required to make an appropriate determination. However the doubt still exists, information should be considered material.

8. Without prejudice to generality of any para of this policy, Board may specify for Disclosures of any event/information from time to time.

9. PROCEDURE & TIMING FOR DISCLOSURE TO STOCK EXCHANGES:

- a) The listed entity shall first disclose to stock exchange(s) of all events or information as soon as reasonably possible and **not later than twenty four hours** from the occurrence of event or information:
- b) Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:
- c) Outcome of meetings of Board of Directors shall be made within thirty minutes of the conclusion of the board meeting.**
- d) The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- e) The listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

10. UPDATION ON WEBSITE: The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

11. This policy shall always be harmoniously constructed with "Code of practices and procedures for fair disclosures of unpublished price sensitive information" adopted by the Board on 30/05/2015.



Annexure I

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

- 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 listed entity 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 listed entity), 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 listed entity 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 listed entity.
- 13) Proceedings of Annual and extraordinary general meetings of the listed entity.
- 14) Amendments to memorandum and articles of association of listed entity, in brief.
- 15) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;