

Policy for Determination of Materiality

Introduction:

Securities and Exchange Board of India by Notification dated September 2, 2015 introduced Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. It shall come into force on the ninetieth day from the date of their publication in the Official Gazette i.e. December 01, 2015.

Pursuant to Regulation 30 of aforesaid Regulation, every listed entity shall frame a policy for determination of materiality based on criteria specified in Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 duly approved by its board of directors.

1. Definitions:

Regulations mean SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Stock Exchange means the Exchanges where the shares of the Company are listed.

Policy for Determination of Materiality means policy framed as per Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 duly approved by the Board of Directors of the Company.

Material Events/ Information means events specified in Para A, Para B, Para C and Para D of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 are deemed to be Material Events/ Information.

2. Criteria for Determining Materiality under sub-regulation (4) of regulation 30:

The Company shall consider the following criteria for determination of materiality of events/ information under sub-regulation (4) of regulation (30):-

- 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 above 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 the listed entity, the event/ information is considered material.

3. Policy Statement:

To make disclosures of any events or information which, in the opinion of the Board of Directors of the Company are material to the Stock Exchange(s)

4. Material Events

- a. The event/information detailed in Annexure – I hereto shall be deemed to be material event/information.
- b. The event/information detailed in Annexure – II hereto shall be determined by the Board of Directors to be material event/information on application of criteria for determining materiality.
- c. Any other information /event viz. major development that is likely to affect business, e.g. emergence on new technologies, expiry of patents, any changes 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.
- d. Without prejudice to the generality of para (a), (b) and (c) above, the Company may make disclosure of event /information as specified by the Board from time to time.

The company may on its own initiative also, confirm or deny any reported events or information to stock exchange(s).

Where an event occurs or information is available with the company, which has not been indicated in Schedule – I or Schedule - II, but which may have material effect on it, the company shall make adequate disclosure in regard thereof to the stock exchange(s).

5. Board to authorize Key Managerial Personnel to determine materiality of event and making disclosure :

The Board may from time to time authorize one or more Key Managerial Personnel to determine materiality of an event and information and for the purpose of making disclosures to stock exchange(s).

6. Time Limit of making disclosure of material events :-

Pursuant to Sub-Regulation (6) of Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 the company shall first disclose to stock exchange(s) of all events, as specified in Annexure - I, or information as soon as reasonably possible and not later than *twenty four hours* from the occurrence of event or information.

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

Provided further that disclosure with respect to events specified in Para4 of Annexure - I shall be made within *thirty minutes* of the conclusion of the Board Meeting.

The company shall disclose to stock exchange(s) of all events, as specified in Annexure - II, or information as soon as reasonably possible and not later than *forty eight hours* from the occurrence of event or information.

The Company shall, with respect to disclosure made in accordance with this policy, make disclosure updating material development on a regular basis till such time the event is resolved /closed, with relevant explanation.

7. Disclosure on website:-

The company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) in accordance with this policy, and such disclosure shall be hosted on the website of the company for minimum period of five years and thereafter as per the archival policy of the company, as disclosed on its website.

Events /Information deemed to be material upon occurrence of which Company shall make disclosure to stock exchange(s):

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sales or disposal of any units(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 share or voting rights aggregating to five percent 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 percent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidated 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 Ratings(s)
4. Outcome of meeting of the board of director: 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 reason thereof;
 - c) 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 bonus share 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 subscribers to;
 - g) short particular of any other alteration of capital, including calls;
 - h) financial result;
 - i) decision on voluntary delisting by the listed entity from stock exchange(s);
5. Agreements (viz. Shareholders agreements (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 amendments (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 director, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial officer, Company Secretary etc.), Auditor and Compliance Officer.
 8. Appointment or Discontinuance of share transfer agent.
 9. Corporate debt restructuring.
 10. One time settlement with Bank.
 11. Reference to BIFR and winding-up petition filed by any party / creditors.
 12. Issuance on Notices, call letters, resolution and circulars sent to shareholders, debentures holders or creditors or any class of them or advertisement in the media by the listed entity.
 13. Proceeding of Annual and extraordinary general meeting of the company.
 14. Amendments to memorandum and article of association of listed entity, in brief.
 15. Schedule of analyst or institutional investor meet and presentations on financial result made by the listed entity to analyst or institutional investors;

Events which shall be disclosed upon application of the criteria for determining materiality:

- 1) Commencement or any postponement in the date of commencement of commercial production or commercial operation of any unit / division.
- 2) Change in the general character or nature of business brought about by arrangement for strategic, technical, manufacturing, or marketing tie-up, adoption on new lines of business or closure of operation 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 agreements (s) (as borrower) or any other agreemnt (s) which are binding and not in normal course of business) and revision(s) or amendments(s) or termination(s) thereof.
- 6) Disruption of operation of any one 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) Effects(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 director (other than key managerial personnel) or employees of listed entity.
- 10) Option to purchase securities including any ESOP/ ESPS Scheme.
- 11) Giving of guarantee or indemnity or becoming a surety for any third party.
- 12) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.