

POLICY ON DETERMINING MATERIALITY OF EVENTS/INFORMATION

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1. INTRODUCTION:

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”).

The Objective of this Policy is to provide an overall governance framework for determination of materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in compliance of the Regulations.

2. APPLICABILITY:

This Policy shall be applicable to all the events/information relating to the Company as and when they fall under the criteria as mentioned in Clause 5 of this Policy.

This Policy shall be read with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive Information.

3. AUTHORITY TO DETERMINE MATERIALITY:

The Chief Financial Officer of the Company, and in case of his non-availability the Company Secretary, or any other person as the Board may prescribe, from time to time, is authorised to determine materiality of an event/ information and to make disclosures to Stock Exchange(s).

Contact details of such authorised personnel have been disclosed to the stock exchange(s) and also available on Company’s website.

4. DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

- a) Certain information is *per-se* Material Information as defined in the Regulations and Company shall make disclosure of such events/information as specified in Para A of Part A of Schedule III of the Regulations, without applying any test of materiality.

The same have been enclosed herewith as Annexure – A.

b) Besides *per-se* Material Information, the Company shall make disclosure of events/information specified in Para B of Part A of Schedule III of the Regulations. The materiality of an event/information shall be subject to two considerations i.e.:

(i). **Quantitative Criteria** calculated based on audited financial statements of the last financial year, would mean event/ information where the value involved or the impact:

- exceeds 5 percent of the gross turnover, or
- exceeds 5 percent of the net worth

whichever is lower.

(ii). **Qualitative Criteria:** would mean:

- a) If the omission of an event or information, is likely to result in discontinuity or alteration of event/information already available publicly;
- b) If omission of an event/information is likely to result in significant market reaction if the said omission came to light at a later date; and
- c) any other event/information which is considered material in the opinion of the Board of Directors of the Company.

The same have been enclosed herewith as Annexure – B.

(iii). 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 in 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, as stated under Para C of Part A of Schedule III of the Listing Regulations, be disclosed as may be advised from the Board from time to time.

(iv). The Company shall make disclosure of any events/information as may be specified by SEBI from time to time.

5. WHEN AN EVENT/INFORMATION IS SAID TO HAVE OCCURRED:

In certain instances, the occurrence of material event/information would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., it would depend upon the timing when the Company becomes aware of the event/information.

The events/information can be said to have occurred when the Company becomes aware of the events/ information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under Companies Act, 2013 and shall also include the promoter of the Company.

6. DISCLOSURE OF EVENTS/INFORMATION:

- a) Events specified in **Annexure A** are deemed to be material events/information and the Company shall make disclosure of such events/information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information to in the following manner:
- inform the stock exchanges on which the securities of the Company are listed;
 - upload on the corporate website of the Company.

In case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanatory for the delay.

- b) The Company shall make the disclosures of events/ information as specified in Annexure B based on application of guidelines for determining Materiality as per Clause 4 of this Policy.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The Company shall also provide specific and adequate reply to all queries raised by the Stock Exchanges with respect to any event/information. The Company may on its own initiative, confirm or deny any reported event or information to Stock Exchanges.

All the above disclosures will be hosted on the website of the Company for a minimum period of five years and thereafter archived in accordance with the Company's policy for Preservation and Archival of Documents.

7. COMMUNICATION AND DISSEMINATION OF THE POLICY:

This Policy shall be posted on the Intranet and the web-site of the Company.

8. AMENDMENTS:

The Board of Directors can amend this Policy, as and when deemed fit. This Policy is subject to amendments, clarifications, circulars, notifications (hereinafter referred to as "Amendment") as may be issued by relevant statutory authorities, from time to time.

In case, any such Amendment is not consistent with the provisions of this Policy, then such Amendment shall prevail and this Policy shall be assumed to stand amended accordingly from the effective date of such Amendment.

Annexure – I**Events which shall be mandatorily disclosed without any further consideration of the guidelines for materiality:**

- a. 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 Company or any other restructuring.
- b. Explanation. - '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 Company 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 and such change exceeds two percent of the total shareholding or voting rights in the said company.
- c. 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.;
- d. Revision in credit rating(s);
- e. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of any 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 a dividend with reasons therefor;
 - 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 of reserves 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 which may be to subscribed to;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the Company from stock exchange(s).

- f. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that they impact 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;
- g. Fraud/defaults by a Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or a Promoter;
- h. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
- i. Appointment or discontinuation of share transfer agent;
- j. Corporate debt restructuring;
- k. One-time settlement with a bank;
- l. Reference to BIFR and winding-up petition filed by any party /creditors;
- m. 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;
- n. Proceedings of Annual and extraordinary general meetings of the Company;
- o. Amendments to memorandum and articles of association of Company, in brief;
- p. Schedule of Analyst or institutional investor meets and presentations on financial results made by the Company to analysts or institutional investors.

Annexure – II**Illustrative list of 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 the business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-ups, 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, winning/ receiving, amendment or termination of awarded/won 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 the 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 divisions of the Company due to a 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 their possible impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of a guarantee or an 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/ 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 a false market in such securities.