

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

(Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR))

1 Background

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). These Regulations have come into force from 1st December, 2015. The company is a listed entity and is obligated to comply with the disclosure requirements under the Listing Regulations.

Regulation 30(4)(ii) of the Listing Regulations requires every listed entity to have a Policy, approved by its Board of Directors, for determination of materiality for making disclosures of events / information.

2 Effective Date:

This Policy has been approved by the Board of Directors of the Company and shall have effect from 1st April 2016.

3 Definitions:

All the words and expressions used in this Policy, unless defined herein, shall have meaning assigned to them in the Companies Act, 2013, Rules made thereunder, Listing Regulations and other applicable statutory enactments (collectively, the "Statutory Provisions") as the case may be, as amended, from time to time.

4 Objective:

The objective of this Policy is to lay down the criteria for determination of materiality of events/ information which shall be disclosed to the Stock Exchanges where the equity shares of the company are listed, so that present and potential investors are able to take informed decision relating to their investment in the company and to avoid creation of false market in the securities of the company. This Policy is intended to act as a guidance for determining materiality of such price sensitive information

5 Basic Principles:

This Policy is based on the following basic principles:

Materiality: To ensure that all material events / information become public or made generally available.

Timelines: To make disclosure of material events / information promptly without delay in accordance with the Policy following the material events / information that warrant disclosure.

Transparency: To make disclosure of material events/ information with sufficient details that sustains investor confidence.

6 Material Events/ Information and Criteria:

6.1 GUIDELINES FOR ASSESSING MATERIALITY

a. Materiality has to be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event.

b. In order to determine whether a particular event/information is material in nature, the Company shall consider the criteria(s) mentioned below.

i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

ii. 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

iii. If in the opinion of the Board of Directors, the event / information is considered material.

c. Events/information specified in paragraph A of part A of Schedule III of the LODR Regulations are deemed to be material events. The Company shall make disclosures of such events to the Stock Exchange without any application of materiality thresholds. An illustrative list of such deemed material events is provided in Annexure I

d. Events / information as are mentioned in Para B of Part A of Schedule III of the Listing Regulations shall be disclosed by the company to the Stock Exchanges, if considered material

An event/information shall be considered material if its value or the expected impact in terms of value exceeds the thresholds provided under the Regulations as may be determined on the basis of the consolidated audited financial statements of the immediately preceding financial year. An illustrative list of such events requiring disclosure on application of guidelines of materiality given above is provided in Annexure II.

7 Contents and time for disclosure

7.1 Disclosure shall be made upon occurrence of a material event / information. The time and content for disclosure shall be in accordance with the Listing Regulations and relevant SEBI circulars.

7.2 The company shall make disclosures updating material developments on the above material event on regular basis, until the event is resolved / closed with relevant explanations.

8 Authority

8.1 The Managing Director, and in his absence the CFO/ Company Secretary of the Company is authorized to determine the materiality of an event or information based on criteria mentioned in this Policy and are also severally authorized to make the necessary disclosures to the Stock Exchanges under Regulation 30 of the Listing Regulations. The contact details of all the Key Managerial Personnel (KMP) shall be placed on the Company's website and any change in the same shall be disclosed to the stock exchanges

8.2 The Key Managerial Personnel of the company are severally authorized to confirm / deny any reported event / information to the Stock Exchanges

9 Review and Amendment

The Board shall review periodically this policy and also have the power to amend any of the provisions of this policy. This Policy in whole or in part, shall stand modified / amended from time-to-time, without any further acton the part of the Company, should there be any statutory modification(s) / amendment(s) / revision(s) to the applicable provisions of the Regulations or any other enactments, as the case may be.

10 Interpretation

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

Illustrative list of deemed material events

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.
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. New Rating(s) [or] 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. re-issue 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 de-listing by the Company from stock exchange(s).Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.
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. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any

liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.

7. Fraud or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

i. 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

ii. 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

8. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc. Senior Management, Auditor and Compliance Officer.

9. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

10. Resignation of Independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- The letter of resignation along with detailed reasons for the resignation as given by the said director
- Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
- The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided
- The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in subclauses above.

11. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect

12. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).

13. Appointment or discontinuation of share transfer agent.

14. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.

15. One time settlement with a bank.

16. winding-up petition filed by any party / creditors.

17. 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.

18. Proceedings of Annual and extraordinary general meetings of the listed entity.

19. Amendments to memorandum and articles of association of listed entity, In brief.

20. Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.

21. Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

- i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
- ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

22. Initiation of Forensic audit

23. Announcement or communication through social media intermediaries or mainstream media of any event or information which is material for the Company in terms these Regulations and is not already made available in the public domain by the listed entity.

24. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the listed entity in terms of regulation 30 of the regulation and is not already made available in the public domain by the Company.

25. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:

- (a) search or seizure; or
- (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
- (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;

26. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:

- (a) suspension;
- (b) imposition of fine or penalty;
- (c) settlement of proceedings;
- (d) debarment;
- (e) disqualification;
- (f) closure of operations;
- (g) sanctions imposed;
- (h) warning or caution; or
- (i) any other similar action(s) by whatever name called;

21. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Act.

Annexure II

Illustrative list of such events requiring disclosure on application of guidelines of Materiality

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 Company:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; 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 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the Company.
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.
14. Any other information / event viz. major development that is likely to affect the 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 securities holders of the Company to appraise its position and to avoid the establishment of a false market in the securities of the Company.

15. Occurrence of any event or availability of information which is not specified pursuant to the Regulation 30 of the Regulations, but which may have material effect on the Company.