



## **POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS/ INFORMATION**

### **1. INTRODUCTION**

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations), require every Listed Company to disclose events or information which, in the opinion of the Board of the Company, are material.

These Regulations have classified disclosure of such events, into the following categories:

- i) Events which are considered to be deemed material events, and which need to be disclosed without application of the “materiality criteria”. These events have been specified in Para A of Part A of Schedule III of the Regulations. (Enclosed as Annexure- I to this Policy).
- ii) Events which have been specified in Para B of Part A of Schedule III of the Regulations (Enclosed as Annexure-II to this Policy).
- iii) Other Events which have been specified in Para C of Part A of Schedule III of the Regulations.

This Policy is framed in accordance with the requirements of the Regulations and the effective date of the Policy will be 16.08.2019.

### **2. ROLES AND RESPONSIBILITIES**

The Roles and Responsibilities of the Authorized person shall include the following:

1. To ensure compliance with the disclosure requirements under Regulation 30 of the Regulations and such other Circulars as may be specified by SEBI in this regard;
2. To take a view on the materiality of an event or on the price sensitivity of an event that qualifies for disclosure under Regulation 30 of the Regulations;
3. To determine the appropriate time at which the disclosures are to be made to the stock exchanges which shall be in adherence to the requirements of Regulation 30 of the Regulations;
4. To review and finalise the details to be disclosed. The contents of the disclosure shall be in line with the Regulations and SEBI Circulars issued in this regard, and as may be amended from time to time;
5. To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any Annexures and determine the materiality, appropriate time and contents of disclosure for such matter;
6. To review the information in respect of the above specified events on periodical basis, as may be necessary and inform the stock exchanges if there is a change in information after it has been disclosed to stock exchanges (including withdrawal / cancellation of event).
7. To determine materiality thresholds of events/ information, which is likely to materially affect the price of the securities (constituting UPSI).
8. To make necessary amendment(s) to the Policy as may be required from time to time.



### **3. KEY PRINCIPLES FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION**

Events/ Information shall be considered as material if it meets any of the appended criteria: (Pursuant to sub-regulation 4 of Regulation 30 & Para B of Part A of Schedule III of the Listing Regulations- Applicable to events/ information specified in Annexure II hereunder)

#### Qualitative Principles for Determination of Materiality

3.1 The omission of disclosing an event/ information which is likely to result in discontinuity or alteration of event / information already available publicly.

3.2 The omission of disclosing an event/ information which is likely to result in significant market reaction if the said omission came to light at a later date

3.3 In case where the criteria specified above i.e. in 3.1 and 3.2 are not applicable, an event/ information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/ information is considered material.

#### Quantitative Principles for Determination of Materiality

3.4 The event/ information would be considered material if its financial impact on the Company is 10% or more of the gross turnover as per last audited accounts of the Company.

Provided that any confidential information which if disclosed is likely to put at risk the Business Interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock exchanges.

### **4. DISCLOSURE OF EVENTS/ INFORMATION**

Pursuant to Para A of Part A of schedule III of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 events specified in Annexure I (which forms part of this policy), are deemed to be material events and the Company shall disclose to the stock exchange(s) all such events or information as soon as reasonably possible and not later than twenty- four (24) hours from the occurrence of such event/ information.

In the event the Company fails to make a disclosure within the aforementioned prescribed period, the Company along with such disclosure(s) shall also provide an explanation for such delay.

However, outcome of the Board Meeting (Serial No. 4 of Annexure I) shall be disclosed within thirty (30) minutes of the conclusion of the Board Meeting.

4.1 Pursuant to Para B of Part A of Schedule III of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015, the Company shall make disclosure(s) of events/ information as specified in Annexure II (which forms part of this policy), based on application of key principles for determining materiality as per Clause 3 of this policy.

4.2 It is mandatory for the Company to make disclosure(s) updating material developments on a regular basis, till such time the event is resolved/ closed with relevant explanations.

4.3 The Company shall provide specific and adequate reply to all questions raised by stock exchange(s) with respect to any events/ information. Further, the Company on its own initiative shall confirm or deny any event / information to stock exchange(s) reported in media.



In case where an event occurs or information is available with the Company, which has not been indicated in Annexure I or Annexure II, but which may have material effect on it, the Company will make adequate disclosure(s) in regard thereof.

#### **5. WEBSITE UPDATION**

The Company shall disclose on its website:

- 5.1 All such events/ information which has been disclosed to stock exchange(s) under the Listing Regulations; and
- 5.2 such disclosure(s) shall be hosted on the website of the Company for a minimum period of five (5) years; and
- 5.3 thereafter as per the Archival Policy of the Company, as disclosed on the website of the Company.

#### **6. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

Any of the below mentioned persons of the Company jointly are authorized for the purpose of determining materiality of any event/ information.

- a) Mr. Vijay Kumar (Managing Director & CFO)
- b) Mr. Chakshu Goyal (Executive Director)
- c) Ms. Parabhjot Kaur (Company Secretary & Compliance officer)

The Company Secretary of the Company is authorized for the purpose of making disclosure(s) to the stock exchange(s) under the Listing Regulations.

#### **7. AMENDMENTS TO THE POLICY**

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.



## ANNEXURE I

Sr. No.	Material Events (As per Para A Part A of Schedule III) (Events to be disclosed without any application of the guidelines for materiality as prescribed 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
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 the Meetings of the Board of Directors held to consider the following: <ol style="list-style-type: none"> <li>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/ despatched;</li> <li>b) Any cancellation of dividend with reasons thereof;</li> <li>c) The decision on buyback of securities;</li> <li>d) The decision with respect to fund raising proposed to be undertaken;</li> <li>e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched;</li> <li>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;</li> <li>g) Short particulars of any other alteration s of capital, including calls;</li> <li>h) Financial results;</li> <li>i) Decision on voluntary delisting by the listed entity from stock exchange(s);</li> </ol>
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 promote 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 Financial Officer, Company Secretary etc.) Auditor & 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 listed entity.
13.	Proceedings of Annual and Extra Ordinary 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.



## ANNEXURE II

<b>Sr. No.</b>	<b>Material Events (As per Para B Part A of Schedule III) (Events or Information that are to be disclosed based on Materiality Guidelines listed in the policy)</b>
1.	Commencement or 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 (entirely 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)
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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid establishment of a false market in such securities.