

Policy of Determination of Materiality

Scope and Purpose

The Securities and Exchange Board of India (SEBI), on September 02, 2015, has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Regulations).

Regulation 30 requires the Company to frame and adopt a policy to determine the material events by testing the materiality for the purpose of proper, sufficient and timely disclosure of the same to the stock exchanges.

Accordingly, this Policy on Determination of Materiality has been approved and adopted by the Board of Directors of the Company on November 26, 2015, which was amended from time to time.

1. Applicability

This Policy shall be applicable to all events relating to the Company, as and when they come under the criteria elucidated below.

This Policy shall be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that will be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information.

2. Definitions

2.1. 'Compliance Officer' shall mean the Company Secretary of the Company.

2.2. 'Market Sensitive Information' shall mean information concerning the Company that a reasonable person will expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it may otherwise be expected to move materially in a particular direction, given price movements in the market generally.

3. Key principles in determining materiality

An item of information or an event is considered to be material when it is likely to impact the price of the securities of a company. Where the price of the securities of the Company in the normal course is likely to be affected on the basis of the disclosure of an event or information, such event or information is to be regarded as material. Accordingly, the following events and guidelines shall be considered while testing materiality for disclosure of an event | information:

3.1. Events which shall be deemed material

3.1.1. Acquisition(s) (including agreement to acquire), scheme of arrangement (amalgamation,

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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 listed entity, sale of stake in associate company of the listed entity or any other restructuring which involves:

- a) receipt of 5% or more shares or voting rights
- b) change in existing shareholding or voting rights from last disclosure by 2% or more
- c) cost of acquisition of shares so acquired exceeds following limits:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - iii. five percent of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
- d) sale or agreeing to sell shares or voting rights in a company such that the company ceases to be a wholly-owned subsidiary, a subsidiary or an associate company of the listed entity.
- e) sale or agreeing to sell shares or voting rights in a company such that the amount of the sale exceeds the threshold:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - iii. five percent of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.

3.1.2. 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 redemption of securities, etc.

3.1.3. New rating(s) or revision in rating(s).

3.1.4. Outcome of board meetings of the Company held to consider the following:

- a) declaration of 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 capitalisation including the date on which such bonus shares shall be credited | dispatched
- f) re-issue of forfeited shares | securities or 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
- h) financial results
- i) decision on voluntary delisting by the Company from Stock Exchange(s).

3.1.5. Agreements entered into by the shareholders, promoters, promoter group entities, related

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parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the stock exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.

Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of the Regulations.

- 3.1.6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad.
- 3.1.7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- 3.1.8. 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.
- 3.1.9. 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:
 - a) the letter of resignation along with detailed reasons for the resignation as given by the said director.
 - b) names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - c) detailed reasons of resignation by the independent director along with confirmation that there is no other material reasons other than those provided.
- 3.1.10. 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.
- 3.1.11. 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).
- 3.1.12. Appointment or discontinuation of share transfer agent.
- 3.1.13. Resolution plan | restructuring in relation to loans | borrowings from banks | financial institutions including the following details:

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- a) Decision to initiate resolution of loans | borrowings;
- b) Signing of Inter-Creditors Agreement (ICA) by lenders;
- c) Finalization of Resolution Plan;
- d) Implementation of Resolution Plan;
- e) Salient features, not involving commercial secrets of the resolution | restructuring plan as decided by lenders.

3.1.14. One time settlement with a bank.

3.1.15. Winding-up petition filed by any party | creditors.

3.1.16. Issuance of notices, call letters, resolutions and circulars sent to the shareholders, debenture holders or creditors or any class of them or advertised in the media by the company

3.1.17. Proceedings of annual and extraordinary general meetings of the members of the Company

3.1.18. Amendments to memorandum and articles of association of the company, in brief.

3.1.19. a.) schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

b) 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 recognised stock exchanges, 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.

3.1.20. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a) filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d) public announcement made pursuant to order passed by the Tribunal under Section 13 of Insolvency Code;
- e) list of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) appointment | replacement of the resolution professional;
- g) prior or post-facto intimation of the meetings of committee of creditors;
- h) brief particulars of invitation of resolution plans under Section 25(2)(h) of Insolvency

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Code in the Form specified under Regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;

- i) number of resolution plans received by resolution professional;
- j) filing of resolution plan with the tribunal;
- k) approval of resolution plan by the tribunal or rejection, if applicable;
- l) specific features and details of the resolution plan as approved by the adjudicating authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - i. pre and post net-worth of the company;
 - ii. details of assets of the company post CIRP;
 - iii. details of securities continuing to be imposed on the companies' assets;
 - iv. other material liabilities imposed on the company;
 - v. detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - vi. details of funds infused in the company, creditors paid-off;
 - vii. additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - viii. impact on the investor – revised P/E, RONW ratios etc.;
 - ix. names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - x. brief description of business strategy.
- m) any other material information not involving commercial secrets;
- n) proposed steps to be taken by the incoming investor | acquirer for achieving the minimum public shareholding;
- o) quarterly disclosure of the status of achieving the minimum public shareholding;
- p) the details as to the delisting plans, if any approved in the resolution plan.

3.1.21. Initiation of forensic audit:

In case of initiation of forensic audit, by whatever name called, the following disclosures shall be made to the stock exchanges by listed entities:

- a) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b) final forensic audit report (other than for forensic audit initiated by regulatory | enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

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

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- 3.1.23. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s) | contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
- 3.1.24. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity 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; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
- 3.1.25. Voluntary revision of financial statements or the report of the board of directors of the listed entity under Section 131 of the Companies Act, 2013.

The above events shall be disclosed in accordance with the applicable Regulations or

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guidelines issued thereunder, including any amendments thereto.

3.2. The following events shall be considered material subject to the application of the guidelines mentioned in clause 3.3

- 3.2.1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any Business | Unit.
- 3.2.2. Any of the following events pertaining to the listed entity:
 - 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).
- 3.2.3. Capacity addition or product launch
- 3.2.4. Awarding, bagging | receiving, amendment or termination of awarded | bagged orders | contracts, not in the normal course of business
- 3.2.5. Agreements {namely, loan agreement(s) 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
- 3.2.6. Disruption of operations of any one or more segments of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or other events
- 3.2.7. Effect(s) arising out of change in the regulatory framework applicable to the Company
- 3.2.8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity
- 3.2.9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity
- 3.2.10. Options to purchase securities including any ESOP | ESPS Scheme
- 3.2.11. Giving of guarantees or indemnity or becoming a surety by whatever named called for any third party other than in the normal course of business
- 3.2.12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
- 3.2.13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority

3.3. The events mentioned in clause 3.2 above shall be considered material only on application of the following guidelines

- 3.3.1. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly
- 3.3.2. 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
- 3.3.3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - a) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;

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- b) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
- c) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.

3.3.4. in case where the criteria specified in sub-clauses a), b) and c) is not applicable, an event or information may be treated as being material if in the opinion of the Board, the event or information is considered material.

3.4. Any other information | event namely major development that is likely to affect business Events | Information that may include, but are not restricted to:

3.4.1. Any information | event namely, major development that is likely to affect business for example, emergence of new technology and expiry of patents

3.4.2. Any change of Accounting Policy that may have a significant impact on the accounts, etc.

3.4.3. Any other information which is exclusively known to the Company which may be necessary to enable the holders of securities to appraise its position and to avoid the establishment of a false market in such securities

3.4.4. Any market sensitive information as may be determined by any two KMPs jointly, from time to time

3.4.5. Any event which in the view of the Board | Whole-time Directors of the Company is material

4. Administrative measures

4.1.1. Unless otherwise decided by the Board, any two KMPs acting jointly shall be authorised for the purpose of determining materiality of an event or information and making disclosures to the Stock Exchanges. Any decision taken by them shall be valid and binding on the Company

4.1.2. The contact details of all the KMPs shall be disclosed to the Stock Exchanges and also be placed on the website of the Company

4.1.3. The KMPs shall take into consideration the factors surrounding the particular information to take a view on whether the information is market sensitive or not

5. Interpretation

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

6. Guidance on when an event | information is deemed to be occurred

6.1.1. The events | information shall be said to have occurred upon approval by the Board for example further issue of capital by rights issuance and in certain events | information after

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approval of both, the Board and Shareholders that is to say, after the approval of the Shareholders of the Company.

- 6.1.2. The events | information that may be of price sensitive nature such as declaration of dividends, etc., on receipt of approval of the event by the Board, pending approval of the Shareholder.
- 6.1.3. In the events | information such as natural calamities, disruption, etc. can be said to have occurred when the Company becomes aware of the events | information.

7. Disclosure

The Company shall observe the following for proper and timely disclosure of any material events | information as defined hereon

- 7.1.1. For determining materiality of any event | transaction, reference is to be made to this Policy and the Regulations
- 7.1.2. Disclosure of the events enumerated in Clause 3(A)(7) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting
- 7.1.3. All other events mentioned under Clause 3(A) and (B) above, other than those mentioned in the foregoing Clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event
- 7.1.4. The details with regard to any fraud | default by the Directors or KMP or by the Company or arrest of any KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default | arrest
- 7.1.5. The Stock Exchanges shall also be intimated further details regarding the same including actual amount of fraud | default, actual impact of such fraud | default on the Company and its financials and corrective measures taken thereon
- 7.1.6. Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved | closed
- 7.1.7. All the disclosures made to the Stock Exchanges under this Policy shall also be placed on the website of the Company and the same shall be available for a minimum period of five years
- 7.1.8. The Company shall also disclose all the events or information with respect to its subsidiary companies which are material for the Company

8. Authority to make alterations

The Board of Directors of the Company is authorised to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.