



## **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 has 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.

**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.

## **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: -

- 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; or
- c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (1) two percent of turnover, as per the last audited consolidated financial statements of the company;
  - (2) two percent of net worth, as per the last audited consolidated financial statements of the company, except in case the arithmetic value of the net worth is negative;
  - (3) 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 company;
- d) 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 of Directors of the Company, the event or information is considered material.

## **3. Policy Statement:**

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

#### **4. Material Events**

- a. The event/information detailed in Para A Part A Schedule – III to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 shall be deemed to be material event/information.
- b. The event/information detailed in Para B Part A Schedule – III to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 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 Para A or Para B of Part A of Schedule III to Securities and

Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 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 authorise Key Managerial Personnel to determine materiality of event and making disclosure:**

The Board may from time to time authorise 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 the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III to Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

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.