

# **MATERIALITY POLICY**

## 1. Objective

The objective of this policy is to establish the framework needed for materiality policy based on the criteria and guidelines contained in Listing Regulation and Disclosure.

This policy is based on the following guidelines:

- a) The omission of an event or information, which is likely to result in discontinuity or alteration of events 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;
- c) In case where the criteria specified in the above points are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of company, the event / information is considered material.
- d) In addition to above, in framing this policy, guidelines in Appendix-B.

In addition to the above, disclosures will include such events which shall be considered MATERIAL by the Board.

## 2. Definitions

Acquisition shall mean and cover:

- 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 listed entity 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

**Material Events:**

Events contained in Para A of PART A of Schedule III shall be considered to be deemed material events.

These deemed events are mentioned in Appendix A.

**Regulations:**

Regulation means The Listing Obligation and Disclosure Regulations notified by Securities and Exchange Board of India on September 2, 2015 effective from December 1, 2015 and any amendments here after.

**3. Scope**

Events that are material such as:

- Acquisition
- Forfeiture
- Revision in rating
- And other such details which are deemed material are mentioned in Appendix – A & B.

Mr. Michael Arul, Chairman & Managing Director, Ms. Kshama Wazkar, Company Secretary and Compliance Officer and Mr. K.S. Govindarajan, Chief Financial Officer shall be responsible for determining the materiality of event/information. Further, the contact details shall be put up on the Company's website and they shall be responsible for disclosure to the stock exchange.

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**APPENDIX –A**  
**(PARA A OF PART - A OF SCHEDULE III)**

**PARA- A.** Events which shall be disclosed without any application of the guidelines for materiality as specified 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.  
Explanation - For the purpose of this sub-para, the word '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 listed entity 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
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 Meetings of the board of directors: The listed entity 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 delisting by the listed entity from stock exchange(s).
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 promoter 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 Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and 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 the listed entity.
  13. Proceedings of Annual and extraordinary 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.

**APPENDIX- B**  
**(PARA B of PART - A OF SCHEDULE III)**

**PARA B.** Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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 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 (entirety 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 terminations) thereof.
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.