

## **Srei Infrastructure Finance Limited**

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| <b>Policy Reference</b> | Policy for determination of Materiality of any Event/Information [Pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015] |
| <b>Policy Owner</b>     | Secretarial Department  |

| Version No. | Date of Applicability | Approved By  | Description  |
|-------------|-----------------------|--|--|
| 1.          | 01.12.2015            | Board of Directors at their meeting held on 07.11.2015. Further modified on 17.01.2018 | Policy for determination of Materiality of any Event /Information for disclosure to the Stock Exchanges  |
| 2.          | 01.04.2019            | Board of Directors at their meeting held on 04.02.2019                                 | Amendment pursuant to SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 |

# **Srei Infrastructure Finance Limited**

## **Policy for determination of Materiality of any Event / Information**

### **[Pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

#### **1. Preamble**

The Securities Exchange Board of India, on 2nd September, 2015, has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). By virtue of the said Listing Regulations, Srei Infrastructure Finance Limited recognizes the need to frame a policy to determine the material events / information as required under Regulation 30 for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the SEBI Listing Regulations.

#### **2. Applicability**

This Policy covers guidelines for determination of materiality of the events or information which need to be disclosed to the Stock Exchanges.

This Policy is applicable to the Company effective December 01, 2015.

#### **3. Material Events / Information to be disclosed**

**A. Events / Information which shall be deemed material and shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality. Further, these events / information shall be disclosed not later than 24 hours from the occurrence of event / information-**

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 Company 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:
  - i. 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;
  - ii. any cancellation of dividend with reasons thereof;
  - iii. the decision on buyback of securities;
  - iv. the decision with respect to fund raising proposed to be undertaken;
  - v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - vi. 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;
  - vii. short particulars of any other alterations of capital, including calls;
  - viii. financial results;
  - ix. decision on voluntary delisting by the Company 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 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. Fraud / defaults by Promoter or Key Managerial Personnel (KMP) or by the Company or arrest of Key Managerial Personnel (KMP) or Promoter.
7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
  - 7A. 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 24 (twenty four) hours of receipt of such reasons from the auditor.
  - 7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within 7 (seven) days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
    - i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
    - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
    - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.

8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to Board of Industrial and Financial Reconstruction (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 Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to Memorandum and Articles of Association of the Company.
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

The details which the Company needs to disclose with the above events / information are given in **Annexure I**.

**B. Events / Information which shall be considered material and shall be disclosed to the Stock Exchanges upon application of the guidelines / criterion for materiality as mentioned in Clause (C) of this Policy -**

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 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. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
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.

The details which the Company needs to disclose with the above events / information are given in **Annexure II**.

**C. The Events / Information as enumerated in Clause (B) of this Policy shall be considered Material only on application of the following guidelines / criteria –**

The Company shall consider the following Qualitative guidelines / criteria for determination of Materiality of events / information:

1. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
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; or
3. In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event / information is considered material.

Further, the Company may also consider the following Quantitative materiality threshold in order to determine whether any particular event / information is material in nature:

**Quantitative Materiality Threshold:** Where the value involved or the impact of an event / information exceeds 20% (twenty percent) of the Net worth of the Company. The said threshold shall be determined on the basis of audited financial statements of the last financial year.

If a particular Event / Information satisfies any of the Qualitative criteria or Quantitative threshold, the Company shall disclose the same to the Stock Exchanges.

The guidance, as given by SEBI, on when an event / information has occurred is given in **Annexure III**.

**D. Any other Event /Information:**

The Company shall also disclose the following events / information to Stock Exchanges-

- a) Event / Information 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 the establishment of a false market in such securities.
- b) Any event / information as may be specified by SEBI from time to time.

**4. Authority for determination of Materiality of Events / Information:**

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the SEBI Listing Regulations, the Board of Directors of the Company has constituted a Committee of Key Executives for the purpose of determination of materiality of any event / information so that the event / information can be properly assessed and decision can be made regarding its disclosure to

the Stock Exchanges.

The constitution of Committee of Key Executives is given in **Annexure IV** annexed to this Policy. Any subsequent change in Annexure IV to this Policy shall be deemed to be part & parcel of this Policy.

Employees of the Company in the grade of Vice Presidents and above, the Head of various Departments / Divisions etc. of the Company who are responsible for relevant areas of the Company's operations (Responsible executives) must report to the Committee of Key Executives (constituted for the purpose of determination of materiality of any event / information) any event / information which may possibly be material or of which they are unsure as to its materiality. The event / information should be reported immediately after such Responsible executive becomes aware of it.

On receipt of communication of potential material event / information, the Committee of Key Executives will assess and examine the accuracy and materiality of such event / information for the purpose of reporting to the Stock Exchanges and after making such assessment, the Committee of Key Executives will immediately inform the Company Secretary who shall arrange to lodge / disseminate the said event / information to the Stock Exchanges.

Where the Committee of Key Executives is not certain about materiality of event / information, they may refer the matter for external legal advice.

## **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 this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

## **6. Process of Reporting / Disclosure**

- 6.1 Disclosure of the events enumerated in Clause 3(A)(4) of this Policy shall be made by the Company within 30 (thirty) 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.
- 6.2 All other events mentioned under Clause 3(A) of this Policy, other than those mentioned in the above clause, shall be disclosed by the Company as soon as reasonably possible but not later than 24 (twenty four) hours from the occurrence of a particular event. However, in case the disclosure is made after 24 (twenty four) hours of occurrence of the event or information, the Company shall, along with such disclosures, provide explanation as to reason for delay in disclosing the said event / information.
- 6.3 Disclosures required under Event specified in Point 7B of Clause 3(A) shall be made within 7 (seven) days from date of the event. However, a preliminary disclosure regarding occurrence of the event shall be made within 24 hours of the occurrence of the event.
- 6.4 Disclosure of any material development, with relevant explanations, shall be made on a regular basis of any event / information, till such time the event is resolved / closed.
- 6.5 All the disclosures submitted to the Stock Exchanges under the SEBI Listing Regulations and this Policy shall also be hosted on the Website of the Company for a minimum period of 5 (five) years from the date of its disclosure and thereafter archived as per the document Preservation

Policy of the Company.

6.6 The Company shall also disclose all the events / information with respect to its Subsidiaries which are material for the Company.

## 7. Exceptions

Notwithstanding the foregoing, the following events / information shall not be treated as material events / information and will not require disclosure to the Stock Exchanges:

- Mere discussion on any transactions or signing non-disclosure agreement or any understanding for carrying out due diligence for any transactions shall not be treated as material event or information;
- The Company is not required to disclose agreements / contracts which are in the nature of ordinary course of business;
- The Company is not required to disclose details of giving of guarantees or indemnity or becoming a surety for any third party, which are in the nature of ordinary course of business;
- The Company shall not disclose any fraud / defaults made by employees of the Company, until the receipt of the final binding Order.

## 8. Market Rumours / Stock Exchange Queries

As a matter of best practice, the Company shall refrain from commenting on any market rumours and speculations. However, at times the Stock Exchanges might seek for clarifications on the market rumours which will be dealt with by the Company accordingly.

Further, the Company shall provide specific and adequate reply to all the queries raised by Stock Exchanges w.r.t. any events / information. The Company may, on its own initiative, also confirm or deny any reported event or information to the Stock Exchanges.

## 9. Amendment

The Board is authorized to make such alterations to this Policy as considered appropriate. However, such alterations shall not be inconsistent with the provisions of the SEBI Listing Regulations.

## 10. Meaning of Words and Expressions

All the words and expressions used in this Policy shall have meaning respectively assigned to them under the SEBI Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made / issued thereunder, as amended from time to time.

**This Policy for Determination of Materiality of any Event / Information has been approved by the Board of Directors at its Meeting held on 07.11.2015 and became effective from 01.12.2015. This Policy has been last revised on 04.02.2019 and the revised Policy shall be effective on and after 01.04.2019. This Policy shall be displayed on the website of the Company.**

**For and on behalf of Board of Directors**

**Place: Kolkata  
Date: February 04, 2019**

**sd/-  
Company Secretary**

## **Annexure I**

### **DETAILS WHICH A LISTED ENTITY NEEDS TO DISCLOSE FOR THE EVENTS / INFORMATION THAT ARE DEEMED TO BE MATERIAL AS SPECIFIED IN PARA A OF PART A OF SCHEDULE III OF LISTING REGULATIONS**

#### **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:**

##### **1.1. Acquisition (including agreement to acquire):**

- a) name of the target entity, details in brief such as size, turnover etc.;
- b) whether the acquisition would fall within related party transaction(s) and whether the promoter / promoter group / group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- c) industry to which the entity being acquired belongs;
- d) objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);
- e) brief details of any governmental or regulatory approvals required for the acquisition;
- f) indicative time period for completion of the acquisition;
- g) nature of consideration - whether cash consideration or share swap and details of the same;
- h) cost of acquisition or the price at which the shares are acquired;
- i) percentage of shareholding / control acquired and / or number of shares acquired;
- j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

[Explanation: For the purpose of the above disclosures the term ‘acquisition’ shall have the same meaning as defined in explanation of sub-para (1) of Para (A) of of Part (A) of Schedule III of Listing Regulations].

##### **1.2. Amalgamation/ Merger:**

- a) name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;
- b) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- c) area of business of the entity(ies);
- d) rationale for amalgamation/ merger;
- e) in case of cash consideration – amount or otherwise share exchange ratio;
- f) brief details of change in shareholding pattern (if any) of listed entity.

##### **1.3. De-merger:**

- a) brief details of the division(s) to be demerged;
- b) turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial



year;

- c) rationale for demerger;
- d) brief details of change in shareholding pattern (if any) of all entities;
- e) in case of cash consideration - amount or otherwise share exchange ratio;
- f) whether listing would be sought for the resulting entity.

#### **1.4. Sale or disposal of unit(s) or division(s) or subsidiary of the listed entity:**

- a) the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;
- b) date on which the agreement for sale has been entered into;
- c) the expected date of completion of sale/disposal;
- d) consideration received from such sale/disposal;
- e) brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;
- f) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";
- g) additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.

For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings, as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales.

#### **1.5. Other Restructuring:**

- a) details and reasons for restructuring;
- b) quantitative and/ or qualitative effect of restructuring;
- c) details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring;
- d) brief details of change in shareholding pattern (if any)of all entities.

## **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.**

### **2.1. Issuance of securities:**

- a) type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b) type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.);
- c) total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);
- d) in case of preferential issue the listed entity shall disclose the following additional details to the stock exchange(s):
  - i. names of the investors;
  - ii. post allotment of securities - outcome of the subscription, issue price / allotted

- price (in case of convertibles), number of investors;
- iii. in case of convertibles - intimation on conversion of securities or on lapse of the tenure of the instrument;
- e) in case of bonus issue the listed entity shall disclose the following additional details to the stock exchange(s):
  - i. whether bonus is out of free reserves created out of profits or share premium account;
  - ii. bonus ratio;
  - iii. details of share capital - pre and post bonus issue;
  - iv. free reserves and/ or share premium required for implementing the bonus issue;
  - v. free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
  - vi. whether the aforesaid figures are audited;
  - vii. estimated date by which such bonus shares would be credited/dispatched;
- f) in case of issuance of depository receipts (ADR/GDR) or FCCB the listed entity shall disclose following additional details to the stock exchange(s):
  - i. name of the stock exchange(s) where ADR/GDR/FCCBs are listed (opening – closing status) / proposed to be listed;
  - ii. proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
  - iii. proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCB's;
  - iv. issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);
  - v. change in terms of FCCBs, if any;
  - vi. details of defaults, if any, by the listed entity in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);
- g) in case of issuance of debt securities or other non-convertible securities the listed entity shall disclose following additional details to the stock exchange(s):
  - i. size of the issue;
  - ii. whether proposed to be listed? If yes, name of the stock exchange(s);
  - iii. tenure of the instrument - date of allotment and date of maturity;
  - iv. coupon/interest offered, schedule of payment of coupon/interest and principal;
  - v. charge/security, if any, created over the assets;
  - vi. special right/interest/privileges attached to the instrument and changes thereof;
  - vii. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;
  - viii. details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;
  - ix. details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;
- h) any cancellation or termination of proposal for issuance of securities including reasons thereof.

## **2.2. Split/consolidation of shares:**

- a) split/consolidation ratio;
- b) rationale behind the split/consolidation;
- c) pre and post share capital – authorized, paid-up and subscribed;
- d) expected time of completion;
- e) class of shares which are consolidated or subdivided;
- f) number of shares of each class pre and post-split or consolidation;
- g) number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding.

## **2.3. Buy back of securities:**

- a) number of securities proposed for buyback;
- b) number of securities proposed for buyback as a percentage of existing paid up capital;
- c) buyback price;
- d) actual securities in number and percentage of existing paid up capital bought back;
- e) pre & post shareholding pattern.

## **2.4. Any restriction on transferability of securities:**

- a) authority issuing attachment or prohibitory orders;
- b) brief details and reasons for attachment or prohibitory orders;
- c) name of registered holders against whom restriction on transferability has been placed;
- d) total number of securities so affected;
- e) distinctive numbers of such securities if applicable;
- f) period for which order would be applicable (if stated).

## **2.5. Any action, which will result in alteration of the terms or structure of any existing securities, including, but not limited to:**

- a) forfeiture of shares;
- b) 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;
- c) proposal to issue any class of securities;
- d) alterations of capital, including calls;
- e) change in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the listed entity.

## **3. Revision in Rating(s)**

The listed entity shall notify the stock exchange(s), the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or to any fixed deposit programme or to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad. In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.

#### **4. Outcome of meetings of the board of directors:**

The listed entity shall intimate to the Exchange(s), within 30 (thirty) minutes of the closure of the meeting, held to consider or decide the following:

- 4.1. 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;
- 4.2. any cancellation of dividend with reasons thereof;
- 4.3. the decision on buyback of securities;
- 4.4. the decision with respect to fund raising proposed to be undertaken;
- 4.5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
- 4.6. 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;
- 4.7. short particulars of any other alterations of capital, including calls;
- 4.8. financial results;
- 4.9. decision on voluntary delisting by the listed entity from stock exchange(s);

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

#### **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:**

- 5.1. name(s) of parties with whom the agreement is entered;
- 5.2. purpose of entering into the agreement;
- 5.3. shareholding, if any, in the entity with whom the agreement is executed;
- 5.4. significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- 5.5. whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- 5.6. whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- 5.7. in case of issuance of shares to the parties, details of issue price, class of shares issued;
- 5.8. any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;
- 5.9. in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):
  - a) name of parties to the agreement;
  - b) nature of the agreement;
  - c) date of execution of the agreement;
  - d) details of amendment and impact thereof or reasons of termination and impact thereof.

**6. Fraud/ Defaults by promoter or key managerial personnel or by the listed entity or arrest of key managerial personnel or promoter:**

**6.1. At the time of unearthing of fraud or occurrence of the default / arrest:**

- a) nature of fraud/default/arrest;
- b) estimated impact on the listed entity;
- c) time of occurrence;
- d) person(s) involved;
- e) estimated amount involved (if any);
- f) whether such fraud/default/arrest has been reported to appropriate authorities.

**6.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/default/arrest including:**

- a) actual amount involved in the fraud /default (if any);
- b) actual impact of such fraud /default on the listed entity and its financials; and
- c) corrective measures taken by the listed entity on account of such fraud/default.

**7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer:**

7.1 reason for change viz. appointment, resignation, removal, death or otherwise;

7.2 date of appointment/cessation (as applicable) & term of appointment;

7.3 brief profile (in case of appointment);

7.4 disclosure of relationships between directors (in case of appointment of a director).

**7A.** 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 24 (twenty four) hours of receipt of such reasons from the auditor.

**7B.** Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within 7 (seven) days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.

**8. Appointment or discontinuation of share transfer agent:**

8.1. reason for appointment or discontinuation;

8.2. date on which above would become effective.

**9. Corporate debt restructuring (“CDR”):**

9.1. whether CDR is voluntary and reasons for opting or referred by lenders/creditors;

9.2. details of the loan to be subjected to restructuring under CDR;

9.3. brief details of the CDR proposal (if any);

9.4. the following updates to be provided at the time of the execution and at various stages of the implementation of the CDR scheme;

- a) upon execution of any agreement in relation to the CDR proposal, disclose details such as date of execution, parties to the agreement and principal terms;
- b) details of final CDR package as approved by RBI and the lenders;
- c) lenders involved;
- d) brief summary of the CDR scheme including details of the securities, interest payment, repayment schedule, negative and other restrictive covenants.

**10. One Time Settlement (OTS) with a Bank:**

- 10.1. reasons for opting for OTS;
- 10.2. brief summary of the OTS.

**11. Reference to BIFR and winding-up petition filed by any party / creditors:**

- 11.1. reasons for such a reference/petition;
- 11.2. impact of such reference/petition on listed entity.

**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 and the following:**

- 12.1. date of notice/call letters/resolutions etc.;
- 12.2. brief details viz. agenda (if any) proposed to be taken up, resolution to be passed, manner of approval proposed etc.

**13. Proceedings of annual and extraordinary general meetings of the listed entity and the following details in brief:**

- 13.1. date of the meeting;
- 13.2. brief details of items deliberated and results thereof;
- 13.3. manner of approval proposed for certain items (e-voting etc.).

**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.**

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## **Annexure II**

### **DETAILS WHICH A LISTED ENTITY NEEDS TO DISCLOSE FOR THE EVENTS / INFORMATION WHICH SHALL BE CONSIDERED MATERIAL UPON APPLICATION OF THE GUIDELINES / CRITERION FOR MATERIALITY**

#### **1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division:**

The listed entity shall notify the stock exchange(s) regarding the commencement of commercial production or the commencement of commercial operations of any unit/division. In cases where the listed entity has made prior intimation of date of commencement of commercial production or operations, the listed entity shall be required to disclose details in case of postponement of the date of commencement.

#### **2. Change in the general character or nature of business brought about by:**

##### **2.1. Arrangements for strategic, technical, manufacturing, or marketing tie-up:**

###### **a) Agreement / joint venture (JV) with companies:**

- i. name of the entity(ies) with whom agreement/ JV is signed;
- ii. area of agreement/JV;
- iii. domestic/international;
- iv. share exchange ratio / JV ratio;
- v. scope of business operation of agreement / JV;
- vi. details of consideration paid / received in agreement / JV;
- vii. significant terms and conditions of agreement / JV in brief;
- viii. whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- ix. size of the entity(ies);
- x. rationale and benefit expected.

- b) In the event that any such arrangement is called off for any reason, the same shall be disclosed along with the reasons for calling off the proposal.

##### **2.2. Adoption of new line(s) of business:**

- a) industry or area to which the new line of business belongs to;
- b) expected benefits;
- c) estimated amount to be invested.

##### **2.3. Closure of operations of any unit/division - (entirety or piecemeal):**

- a) date of such binding agreement, if any, entered for sale of such unit/division, if any;
- b) amount & percentage of turnover or revenue or income and net worth of the listed entity contributed by such unit or division during the last financial year;
- c) date of closure or estimated time of closure;
- d) reasons for closure.

### **3. Capacity addition or product launch**

#### **3.1. Capacity addition:**

- a) existing capacity;
- b) existing capacity utilization;
- c) proposed capacity addition;
- d) period within which the proposed capacity is to be added;
- e) investment required;
- f) mode of financing;
- g) rationale.

#### **3.2. Product launch:**

- a) name of the product;
- b) date of launch;
- c) category of the product;
- d) whether caters to domestic/ international market;
- e) name of the countries in which the product is launched (in case of international).

### **4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business:**

#### **4.1. Awarding of order(s)/contract(s):** Only important terms and conditions which may be as under needs to be disclosed:

- a) name of the entity to which order(s)/contract(s) is awarded;
- b) whether order(s) / contract(s) is awarded to domestic/ international entity
- c) significant terms and conditions of order(s)/contract(s) awarded, in brief;
- d) time period, if any, associated with the order(s)/contract(s);
- e) broad commercial consideration or size of the order(s)/contract(s);
- f) whether the promoter/ promoter group/group companies have any interest in that entity to whom the order(s)/contract(s) is awarded? If Yes, nature of interest and details thereof;
- g) whether the same would fall within related party transactions? If yes, whether the same is done at “arm’s length”.

#### **4.2. Bagging/Receiving of orders/contracts:** Only important terms and conditions which may be as under needs to be disclosed:

- a) name of the entity awarding the order(s)/contract(s);
- b) significant terms and conditions of order(s)/contract(s) awarded in brief;
- c) whether order(s) / contract(s) have been awarded by domestic/ international entity;
- d) nature of order(s) / contract(s);
- e) whether domestic or international;
- f) time period by which the order(s)/contract(s) is to be executed;
- g) broad consideration or size of the order(s)/contract(s);
- h) whether the promoter/ promoter group / group companies have any interest in the entity that awarded the order(s)/contract(s)? If yes, nature of interest and details thereof;



- i) whether the order(s)/contract(s) would fall within related party transactions? If yes, whether the same is done at “arm’s length”.

**4.3. Amendment or termination of orders/contracts:**

- a) name of parties to the order(s)/contract(s);
- b) nature of the order(s)/contract(s);
- c) date of execution of the order(s)/contract(s)
- d) details of amendment or reasons for terminations and impact thereof (to the extent possible);

**5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:** Only important terms and conditions which may be as under needs to be disclosed:

- a) name(s) of parties with whom the agreement is entered;
- b) purpose of entering into the agreement;
- c) size of agreement;
- d) shareholding, if any, in the entity with whom the agreement is executed;
- e) significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- f) whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- g) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- h) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- i) in case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;
- j) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;
- k) in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):
  - i. name of parties to the agreement ;
  - ii. nature of the agreement;
  - iii. date of execution of the agreement;
  - iv. details of amendment and impact thereof or reasons of termination and impact 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.:**

**6.1. At the time of occurrence:**

- a) expected quantum of loss/damage caused;

- b) whether loss/damage covered by insurance or not including amount;
- c) estimated impact on the production/operations in case of strikes/lock outs;
- d) factory/unit where the strike/lock out takes place including reasons for such strike.

**6.2. Regularly, till complete normalcy is restored:**

- a) insurance amount claimed and realized by the listed entity for the loss/damage;
- b) the actual amount of damage caused due to the natural calamity or other force majeure events;
- c) details of steps taken to restore normalcy and the impact of the natural calamity/other force majeure events on production or service, financials of the entity.

**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:** The listed entity shall notify the stock exchange(s) upon it or its key management personnel or its promoter or ultimate person in control becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the listed entity, the outcome of which can reasonably be expected to have an impact.

**8.1. At the time of becoming the party:**

- a) brief details of litigation viz. name(s) of the opposing party, court/ tribunal/agency where litigation is filed, brief details of dispute/litigation;
- b) expected financial implications, if any, due to compensation, penalty etc;
- c) quantum of claims, if any;

**8.2. Regularly till the litigation is concluded or dispute is resolved:**

- a) the details of any change in the status and / or any development in relation to such proceedings;
- b) in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;
- c) in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.

**9. Frauds/defaults by directors (other than key managerial personnel) or employees of the listed entity:**

**9.1. At the time of unearthing of fraud or occurrence of the default/arrest:**

- a) nature of fraud/default/arrest;
- b) estimated impact on the listed entity;
- c) time of occurrence;
- d) person(s) involved;
- e) estimated amount involved (if any);

f) whether such fraud has been reported to appropriate authorities.

**9.2. Subsequently intimate the stock exchange(s) further details regarding the fraud/default including:**

- a) actual amount involved in the fraud /default (if any);
- b) actual impact of such fraud /default on the listed entity and its financials;
- c) corrective measures taken by the listed entity on account of such fraud/default.

**10. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options:**

- a) brief details of options granted;
- b) whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (if applicable);
- c) total number of shares covered by these options;
- d) pricing formula;
- e) options vested;
- f) time within which option may be exercised;
- g) options exercised;
- h) money realized by exercise of options;
- i) the total number of shares arising as a result of exercise of option;
- j) options lapsed;
- k) variation of terms of options;
- l) brief details of significant terms;
- m) subsequent changes or cancellation or exercise of such options;
- n) diluted earnings per share pursuant to issue of equity shares on exercise of options.

**11. Giving of guarantees or indemnity or becoming a surety for any third party:**

- a) name of party for which such guarantees or indemnity or surety was given;
- b) whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- c) brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;
- d) impact of such guarantees or indemnity or surety on listed entity.

**12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals:**

- a) name of the regulatory or licensing authority;
- b) brief details of the approval/license obtained/ withdrawn/ surrendered;
- c) impact/relevance of such approval/license to the listed entity;
- d) withdrawal/cancellation or suspension of license/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the listed entity and penalty, if any;
- e) period for which such approval/license is/was valid;

f) Subsequently, the listed entity shall inform the stock exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the listed entity pursuant to the withdrawal, cancellation or suspension of the key license/ approval.

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## Annexure III

### **GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED**

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

- 2.1 In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

- 2.2 In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

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## **Annexure IV**

The Committee of Key Executives, constituted for the purpose of determination of materiality of any event / information for the purpose of reporting to the Stock Exchanges comprise as under -

| <b>Name</b>                                    | <b>Designation</b>             |
|--|--------------------------------|
| Mr. Hemant Kanoria<br>Committee Member         | Chairman and Managing Director |
| Mr. Rakesh Bhutoria<br>Committee Member        | Chief Executive Officer (CEO)  |
| Mr. Sandeep Kumar Sultania<br>Committee Member | Chief Financial Officer        |

Further, the Company Secretary shall act as the coordinator and liaisons officer for dissemination of material events / information to the Stock Exchanges.

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