

MANDHANA INDUSTRIES LIMITED

Determination of Materiality of Event(s) /Information for Disclosure

Effective from December 1, 2015

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1. Introduction

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulation”) was notified on September 2, 2015. These regulations has been effective from 1st December, 2015.

In pursuance of Regulation 30 of the Listing Regulations, the Board of Directors of Mandhana Industries Limited (the “Company” or “MIL”), has adopted a policy on determination of materiality of any event and/or information which are required to be disclosed to the Stock Exchanges (the “Policy”).

2. Applicability and effective date

This Policy applies to:

1. Events specified in Para A of Part A of Schedule III of the Listing Regulation;
2. Events specified in Para B of Part A of Schedule III of the Listing Regulations based on the application of criteria of materiality as specified in this Policy ; and
3. Events in the opinion of the Board of the Company which satisfy the materiality criteria, and are not covered in 1 and 2 above.

This policy is effective from December 1, 2015.

3. Scope and Purpose

In order to enable investors of the Company to make a well-informed investment decisions, the timeliness, accuracy and adequacy of the information on a continuous basis is essential. Any information or the happening of any event that can materially influence the decisions of investors needs to be disseminated regularly. Further, uniformity in disclosures is utmost important to ensure that compliances are done with the letter and spirit of applicable regulations.

The purpose of the following policy is to institutionalise the process of identification and dissemination of any material information and/or events under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations to enable investors to carry out their decision making by considering all important parameters.

4. Definitions

- (i) **“Board”** shall mean Board of Directors of the Company
- (ii) **“Company” or “Listed Entity”** shall mean Mandhana Industries Limited or MIL
- (iii) **“Companies Act”** shall mean the Companies Act, 2013 and Rules made thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time
- (iv) **“Events”** shall mean:
 - a. Events as appearing in Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (annexed hereunder and earmarked as Annexure – I) subject to any statutory amendments from time to time;
 - b. Events as appearing in Para B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (annexed hereunder and earmarked as Annexure - II) subject to any statutory amendments from time to time; and
 - c. Any other event which in the opinion of the Board requires dissemination as per listing regulations.
- (v) **“Key Managerial Personnel”** shall mean key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013
- (vi) **“Policy”** means Determination of Materiality of Events or Information’s for disclosure
- (vii) **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the Securities and Exchange Board of India including any amendments thereof
- (viii) **“Stock Exchange”** shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956

5. Policy Statement

Information’s and events that may impact prices of the company materially shall be promptly made public and generally available and that uniform and universal dissemination of material information shall be followed to avoid selective disclosure.

Company shall follow below guidelines for making disclosures of information and events:

A. Deemed Material Events or Information’s:

Events specified in Para A of Part A of Schedule III of Listing Regulation are deemed to be material events. The Company shall make disclosure of all deemed material events not later than twenty four hours from the occurrence of event or information or within 30 minutes of the closure of the meeting as prescribed.

B. Material Events or Information’s based upon criteria of materiality

Events specified in Para B of Part A of Schedule III of the Listing Regulations, shall be disclosed after applying criteria of materiality as specified here in below:

- 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;
 - c) 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 of Directors of the Company, the event / information is considered material.
- C. Company shall also make disclosure of 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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- D. Without prejudice to the generality of A, B and C above, the Company may make disclosures of events or information's as specified by the Board from time to time.

6. Procedural Guidelines for disclosure of events or information's

One of the Executive Directors of the Company as authorised by the Board of Directors shall determine materiality of an event or information in terms of this policy and shall disclose the same to the Stock Exchange(s) where the shares of the Company are listed.

Any disclosure of events or information which have been submitted by the Company to the Stock Exchange(s) under this Policy will be available on the website of the Company for a minimum period of five years from the date of its disclosure.

7. Communication of this Policy

This Policy shall be posted on the website of the Company.

8. Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Annexure – I

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) 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.

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) 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;
 - 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;

Annexure – II

Events which shall be disclosed upon application of the guidelines for materiality referred in sub regulation (4) of regulation (30) of Listing Regulation:

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 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.