

AVON MERCANTILE LIMITED

Registered Office :

Upper Basement, Smart Bharat Mall,
Plot No.I-2, Sector - 25A, Gautam Buddha Nagar,
Noida, UP 201301

CIN: L17118UP1985PLC026582

Phone: 0120-3355131, 3859000

www.avonmercantile.in

Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges

1. Preamble

The following Policy, with the Guidance Manual, approved by the Board of Directors of Avon Mercantile Limited (the “**Company**”) provides an overall framework for disclosure of information or events of the Company pursuant to Regulation 30 and Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”). This Policy is subject to the Board’s review and changes, as may be appropriate, in conformity with the requirements of the SEBI LODR Regulations, as amended from time to time.

This policy is effective from 29th January 2016 and shall be applicable for disclosures to be made by the Company effective this date.

2. Objective

The objective of this Policy is to facilitate timely and adequate disclosure of material information or events which are unpublished and price sensitive, have a bearing on performance or operations of the Company or may result in a significant market reaction in the price of securities of the Company if the omission comes to light at a later date. This policy is based on the principles governing the disclosures as stated in the SEBI LODR Regulations and further lays down the guidelines for determining the materiality thresholds with respect to certain events or information of the Company as permitted under the SEBI LODR Regulations.

3. Definitions

- a) “Board” or “Board of Directors” means the collective body of the Directors of the Company as constituted from time to time;
- b) “Company” shall mean Avon Mercantile Limited;
- c) “Guidance Manual” shall mean the ‘Guidance Manual for making Disclosures of Events or Information under the Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges’;
- d) “Material Event/s” means those event/s specified in: (i) Para A of Part A of Schedule III of the SEBI LODR Regulations, being deemed material events, which the Company shall compulsorily disclose; (ii) events specified in Para B of Part A of Schedule III of the SEBI LODR Regulations, which the Company shall disclose, based on guidelines for materiality as specified in 4 herein; (iii) events specified in Para C of Part A of Schedule III of the SEBI LODR Regulations; (iv)

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events specified in Part B of the SEBI LODR Regulations; (v) all information having a bearing on the performance/ operation of the Company, price sensitive information or any action that shall affect the payment of interest or redemption of non-convertible debt securities; and (vi) any event which may have a material effect on the Company;

- e) “Key Managerial Personnel” or “KMP” means the personnel as defined under Section 2(51) of the Companies Act, 2013, read with the rules and regulations issued thereunder, as amended from time to time;
- f) “Officer” shall have the same meaning as under the Companies Act, 2013, together with rules and regulations issued thereunder, as amended from time to time;
- g) “Ordinary course of business” or “normal course of business” means all activities that are necessary, normal or incidental to the business of the Company and are permitted by objects of the Company. These would also include common practices, historical practices and customs of commercial transactions with a pattern of frequency.
- h) “Policy” means this Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges;
- i) “SEBI” means the Securities and Exchange Board of India;
- j) “SEBI Circular” means circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, issued by the SEBI on continuous disclosure requirements for listed entities, as amended or substituted from time to time;
- k) “Securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956, as amended from time to time;
- l) “Stock Exchanges” means stock exchanges on which the Securities of the Company are listed; and
- m) “Subsidiaries” means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013, read with the rules and regulations issued thereunder, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. Criteria for disclosure

The following criteria shall be considered by the Company while determining the materiality of events/information, read with the Guidance Manual:

- i. whether the omission of an event or information, is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. whether 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
- iii. whether the event/information is likely to have a bearing on performance or operation of the Company or have a material impact on the business or the Company; or
- iv. in cases where the criteria specified in sub-clauses (i) to (v) above are not applicable, whether an event/information may be treated as being material in the opinion of the Board.

The Chief Executive Officer (CEO)/Managing Director (MD) of the Company is authorized to determine the materiality of an event or information under this Policy and the SEBI LODR Regulations and to make disclosures to the Stock Exchanges under the SEBI LODR Regulations. The Chief Financial Officer (CFO) of the Company shall advise the CEO/MD on the materiality of the event or information based on the guidelines set in the Guidance Manual. The quantitative factors which may be considered while determining the materiality of an event or information would be those impacting or likely to impact at least 10% of the turnover or the net worth or the profitability (profits before tax) of the Company or specific limits provided as may be appropriate for the event/information. The factors to be considered shall be determined based on the last audited consolidated financial statements of the Company. The Guidance Manual in this regard is to be used while selecting the appropriate factor before making public dissemination.

All questions about this Policy should be directed to the CEO/ MD / CFO/ Company Secretary.

5. Applicability:

5.1. The following event/s are deemed to be Material Event/s and the Company shall make disclosure of such event/s without applying any materiality thresholds:

- acquisitions including agreement to acquire;
(acquisition means acquiring control either directly or indirectly OR acquiring or agreeing to acquire shares/voting rights in a company (whether listed or unlisted) either directly or indirectly, such that the Company holds 5% or more of the shares or voting rights in the said company or if there is a change in existing holding from the last disclosure made under this clause and such change exceeds 2% of the total shareholding in the company)
- scheme of arrangement (amalgamation/ merger/ demerger/ restructuring);
- sale or disposal of any unit(s), division(s) or Subsidiary, or any other restructuring;
- issuance/ forfeiture of Securities, split or consolidation of shares, buyback of Securities, any restrictions on transferability of Securities or any alteration in the terms or structure of existing Securities, including re-issue of forfeited Securities, alteration of calls, redemption of Securities, etc.
- revision in ratings;
- outcome of Board meetings held to consider, recommend, declare or pass any dividends/ cash bonuses, cancellation of dividends, decision on buyback of Securities, fund raising proposals, alteration to capital structure including issuance of bonus, re-issue of forfeited Securities or issue

of Securities held in reserve, creation in any form or manner of new shares or Securities or any other rights, privileges or benefits to subscribe to and short particulars of any other alterations of capital, including calls, financial results, voluntary delisting of listed Securities etc.;

- agreements (*including revisions, termination or making amendments*) such as shareholder agreements, joint venture agreements, family settlement agreements to the extent they impact the management or control of the Company or agreements or treaty(ies) or contracts with media companies which are binding and not in the normal course of business fraud/defaults by Promoter/KMP or by the Company or arrest of KMP or Promoter;
- change in directors, KMPs (including MD, CEO, CFO and company secretary), auditor and compliance officer;
- appointment or discontinuation of share transfer agent;
- corporate debt restructuring;
- one time settlement with banks;
- reference to the Board for Industrial and Financial Reconstruction and winding up petition filed by any party or creditors;
- issuance of notices, call letters, resolution and circulars sent to shareholders, debenture holders, creditors or any class of them or advertised in the media by the Company;
- proceedings of general meetings of the Company;
- amendments to Memorandum of Association/Articles of Association of the Company in brief;
- schedule of analyst or institutional investor meet and presentations on financial results made by the Company to them.

5.2. The following events will be deemed to be Material Event/s based on application of the materiality guidelines to be decided by the CEO/ MD:

- Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/ division.
- change in general character or nature of business brought 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);
- capacity addition or product launch;
- awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- agreements viz. loan agreements or any other agreements which are binding and not in the normal course of business including any revision or termination thereof;
- disruption of operations of one or more units or division of the Company due to natural calamity or force majeure conditions or events like strikes, lockouts etc.
- effects arising out of change in regulatory framework applicable to the Company;
- litigations / disputes / regulatory actions with impact.
- fraud/defaults by directors or employees of the Company;
- options to purchase Securities including Employee Stock Option Plans / Employee Share Purchase Scheme.
- giving guarantees or indemnity or becoming surety for any third party;
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

5.3. Any other information or event or major development likely to affect the business which are exclusively known to the Company and which may be necessary to be disclosed to enable holders of Securities of the Company to appraise its position and avoid establishment of false market in the Securities also needs to be disclosed.

5.4 The following events will be deemed to be Material Event/s with respect to the non-convertible debentures issued by the Company:

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- expected default in timely payment of interests or repayment amount or both in respect of the non-convertible debt securities and also default in creation of security for debentures as soon as the same becomes apparent;
- any attachment or prohibitory orders restraining the Company from transferring the non-convertible debt securities from the account of the registered holders along with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details;
- any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities;
- any action that shall affect adversely payment of interest on non-convertible debt securities including default by the Company to pay interest on non-convertible debt securities and failure to create a charge on the assets;
- any change in the form or nature of any of its non-convertible debt securities that are listed on the Stock Exchanges or in the rights or privileges of the holders thereof and making an application for listing of the Securities as changed, if the Stock Exchanges so require;
- any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;
- any events such as strikes and lock outs. which have a bearing on the interest payment/ principal repayment capacity;
- details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, the Company and /or the assets along with its comments thereon, if any;
- delay/ default in payment of interest / principal amount /redemption for a period of more than three months from the due date;
- failure to create charge on the assets within the stipulated time period;
- any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the Company with any investor(s)/lender(s), where default shall mean - non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.
- any major change in composition of the Board, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- any revision in the rating;
- approvals by board of directors in their meeting, in relation to the decision to pass any interest payment; or any increase of capital whether by issue of bonus Securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
- all the information, report, notices, call letters, circulars, proceedings, etc concerning the non convertible debt securities;
- any other change that shall affect the rights and obligations of the holders of non-convertible debt securities, any other information not in the public domain necessary to enable the holders of the listed Securities to clarify its position and to avoid the creation of a false market in such listed Securities or any other information having bearing on the operation/performance of the Company as well as price sensitive information.

5.5 Any amendments/ deletions/ additions to Schedule III of the SEBI LODR Regulations, as applicable to the Company, will be deemed to be included in Clause 5.1, 5.2 and 5.3 of this Policy.

- 6. Authorization and co-ordination for Disclosure:** Pursuant to Reg.30(5) of the SEBI LODR Regulations, the CEO / MD are authorized by the Board for the purpose of determining materiality of an event or information and the Company Secretary is authorized for making disclosures to the Stock Exchange(s) under this Policy.

Once the CEO in consultation with the CFO (in cases where materiality thresholds are applicable) decides to make a disclosure under this Policy, it will be forthwith informed to the Company Secretary for dissemination to stock exchanges within the stipulated timelines. In the absence of the Company Secretary, the dissemination can be made by the CEO/MD or CFO.

- 7.** The contact details of the said KMPs will be disclosed to the stock exchanges as well as uploaded in the website of the Company. **Time of Disclosure:** Disclosures shall be made as soon as possible but within 24 hours from the occurrence of the event/ information. However, in cases where the disclosure cannot be made within the stipulated time limit of 24 hours, the Company will disseminate the same after 24 hours along with an explanation for the delay.

However, disclosures with respect to events stated in sub-para 4 of Para A of Part A of Schedule III of the SEBI LODR Regulations (stated under outcome of Board meetings in Clause 5.1 of this Policy) the same shall be made within thirty minutes of the conclusion of the Board meeting, where the said matters were considered.

- 8. Details of Disclosure:** The Company will disclose details for the events set out in Para A, Para B and Para C of Part A of Schedule III of the SEBI LODR Regulations, in accordance with the guidelines prescribed under Annexure I of the SEBI Circular. Further, the Company shall ensure that the disclosures are appropriate and would be consistent with the facts of each event being disclosed by the Company.

Additionally, in case of disclosures about the Company's agreements or treaty(ies) or contracts with media companies which are binding and not in the normal course of business, the Company shall comply with the disclosure requirements prescribed under the SEBI Press Release No. 200/ 2010 dated August 27, 2010 and the Press Council of India Press Release No. PR/3/10-11-PCI dated August 2, 2010.

- 9. Updation:** With respect to the disclosures made pursuant to this Policy, the Company shall also make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations therefor.
- 10. Subsidiary information/ event:** The Company shall disclose all events or information with respect to its subsidiaries to the extent the event or information is Material for the Company. The criteria for disclosure for this reporting would be the same as stated in Clause 4 above.
- 11. Disclosures other than listed events:** In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the SEBI LODR Regulations, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.
- 12. Manner of Disclosure:** Any information to be disseminated, including responses to any queries raised by the stock exchanges, is required to be given in a separate letter to Stock Exchange(s) and sent vide e-mail or can be made through online submissions.

The Company shall also disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy and, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Company's Archival Policy, as disclosed on its website. The Company's Code for practices and procedures for fair disclosure of unpublished price sensitive information will also be adhered to.

13. **Dissemination of the Policy:** A copy of the Policy shall be put up on the website of the Company.
14. **Review of the Policy:** The Policy shall be subject to review of the Board, and the Board will be authorized to amend it suitably, as may be deemed necessary in accordance with any regulatory requirements or amendments.

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GUIDANCE MANUAL FOR MAKING DISCLOSURES OF EVENTS OR INFORMATION UNDER THE POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF INFORMATION/ EVENTS TO STOCK EXCHANGES

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As per the Company's Policy for determination of materiality for disclosure of information or events to stock exchanges, the Whole Time Director of the Company has been authorised by the Board of Directors of the Company to make disclosures. While certain events/information are deemed to be material and need to be disclosed without application of materiality guidelines, in respect of certain events the disclosure may be made only when the event or information meets the materiality criteria laid down by the Board of the Company. In this manual, an attempt is made to provide guidance to on the timing of the disclosures as well as on selection of appropriate factors while determining the materiality thresholds.

1. **Contents of communication:** The Communication to stock exchanges and public dissemination may contain the minimum details that need to be provided as stipulated by Securities and Exchange Board of India ("**SEBI**") from time to time. However, if for any reason the Company is unable to disclose any specific details as guided by SEBI, it can make the disclosure without stipulating these details provided the appropriate reasoning for the same forms part of the disclosure. While care should be exercised in making adequate and appropriate disclosures, it should also be ensured that the disclosure does not result in establishing a false market for the Company's securities.
2. **Disclosures:** While the MD is authorized to make disclosures under the Policy, the Presidents, Vice Presidents, Functional Heads and Financial Heads of SBUs who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to of the Company about any event or information they become aware of. In case such event or information is required to be disclosed or material in nature is not in the knowledge of Responsible Officer or comes to his knowledge subsequently (but before the public dissemination), the Responsible Officer shall report immediately upon becoming aware of it to the Whole Time Director.

On receipt of communication of such event or information, the matter will be reviewed and assessed in regard to its accuracy and necessity of disclosures of such event or information in terms of the policy by the Whole Time Director in consultation with the CFO.

3. Factors to be considered:

The disclosures under this guidance note shall be undertaken in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**"). Guidance on the timing of disclosure in respect of events be disclosed without application of materiality guidelines i.e., the mere occurrence of the following events will

trigger the disclosure obligations. While guidance has been provided by SEBI as to when an event of information is deemed to have occurred in order to ensure that a false market is not established by disclosure of the information or event, the following timelines may be adhered to:

Event	Timing of Disclosure
1.Acquisitions including agreements to acquire	Within 24 hours from the execution of binding and final agreement to acquire.
2. Approval of a Scheme of arrangement (amalgamation/ merger/ demerger/ restructuring)	Within 24 hours from the approval granted by the Board.
3. Sale or disposal of any unit(s), division(s), subsidiary or any other form of restructuring. <i>Unit for this purpose shall mean a Business Division</i>	If it involves unilateral decision of the Company like dissolution of a unit or division of subsidiary then within 24 hours from the Board approval. If it involves bilateral decision involving third parties like potential buyers etc. within 24 hours from the execution of the final and binding agreement with the third party.
4. Issuance/ forfeiture of Securities, split or consolidation of shares, buyback of Securities, any restrictions on transferability of Securities or any alteration in the terms or structure of existing Securities, including re-issue of forfeited Securities, alteration of calls, redemption of Securities, etc.	Within 24 hours from the Board approval
5. Revision in rating(s)	Within 24 hours from the receipt of intimation from Rating agencies.
6. Outcome of Board meetings with respect to following events: <ul style="list-style-type: none"> - Dividend/ cash bonuses recommended or declared or decision to pass any dividend and date on which dividend shall be paid or dispatched; - Cancellation of dividend with reasons thereof; - Buyback of securities; - Fund raising proposals to be undertaken; - Increase in capital by issue of bonus shares through capitalisation including the date on which such bonus shares shall be credited/dispatched; - Re-issue of forfeited securities or issue of securities held in reserve for future issue or creation in any form new securities or any other rights, privileges or benefits to subscribe to. - Short particulars of any other alteration to capital, including calls; - Financial results; - Voluntary delisting from stock exchanges. 	Decision taken within 30 minutes from conclusion of the Board meeting.

Event	Timing of Disclosure
7. Agreements impacting the management and control of the Company which are binding and not in normal course of business, revision(s), or amendment(s) and termination(s) thereof	<p>Within 24 hours from the execution of the agreement or within 24 hours from the amendment made to the agreement or termination thereof.</p> <p>Amendments here will refer to the amendment to the terms earlier disclosed by the Company. It is clarified that information which is confidential and proprietary to the business of the Company need not be disclosed.</p>
8. Fraud/defaults by promoters/ KMPs/ the Company or arrest of KMP/promoter	<p>Within 24 hours from the time of receipt of information on occurrence of default or receipt of the investigation report establishing the fraud.</p> <p>In case of arrest, 24 hours from the arrest.</p>
9. Change in Directors, KMPs, Auditor or Compliance Officer	Within 24 hours from the change effected.
10. Appointment/ discontinuation of Registrar and Share Transfer Agent.	Within 24 hours from the appointment/ termination.
11. Corporate debt restructuring.	Within 24 hours from the execution of the binding agreement with the lenders.
12. One time settlement agreement entered into with banks.	Within 24 hours from the execution of binding agreement with the banker.
13. Reference to BIFR and winding up petition filed by any Party/ creditors.	<p>Within 24 hours from the Board approval of referring to BIFR.</p> <p>Within 24 hours from the receipt of notice of filing of petition against the Company.</p>
14. Issuance of notices, call letters, resolution and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.	Within 24 hours of despatch to security holders/ advertisement in the media
15. Proceedings of the annual and extraordinary general meetings of the Company	Within 24 hours from the conclusion of meeting.
16. Amendments to MOA/AOA	Within 24 hours of recommendation by the Board.
17. Schedule of Analyst/ institutional investor meets and presentations on financial results made by Company to analysts or institutional investors	<p>The schedule of meetings either at the time of announcing the Board meeting date to stock exchanges if the date of analyst meeting is fixed in advance or within 24 hours after the date is fixed for meeting with analyst or institutional investors whichever is later.</p> <p>The presentations on financial results made by the Company to be uploaded within 24 hours from the making of the presentation</p>
18. Prior intimations of the Board meeting dates in which proposals are to be considered for:	2 clear working days in advance of the meeting date in all cases except consideration of financial results.

Event	Timing of Disclosure
<ul style="list-style-type: none"> - Financial results - Proposal for buy back - Proposal for voluntary delisting of securities - Fund raising by way of public offer, rights, issue of ADR/GDR, FCCBs, qualified institutional placement, debt issue, preferential issue etc. and for determination of price (prior intimation of AGM/EGM date also required to be given) - Declaration of dividend - Recommendation of dividend - Passing over dividend - Issue of convertible securities - Proposal for declaration of bonus securities 	<p>For financial results it is 5 clear working days in advance.</p> <p>Further with respect to alteration in form or nature of securities listed or in the rights or privileges of holders thereof or alteration in date on which interest on debentures or bonds, redemption of preference shares/ bonds/ debentures is payable it will be 11 working days in advance.</p>

The Company may be guided by the following thresholds for disclosing events or information by applying materiality thresholds. With respect to the quantitative criteria below, the factors will be determined based on the audited consolidated financial statements of the last audited financial year.

Event	Materiality guidelines – impact by	Timing of disclosure
<p>Commencement/ postponement of commercial operations of any Business division.</p> <p>It is clarified that pilot launch will not be considered as commencement of commercial operations for the purpose of this disclosure.</p> <p>Further, as branch expansion is also a reportable event, this disclosure is to be made with relevance to the disclosure already for branch expansion as per the materiality thresholds determined for that event.</p>	<p>10% or more on the Turnover</p>	<p>Within 24 hours from the commencement or postponement of production/ operations.</p>
<p>Change in general character/ nature of business by arrangements for strategic, technical, marketing tie-ups, adoption of new lines of business or closure of operations of any unit/ division.</p>	<p>10% or more on the Turnover.</p> <p>The guidelines for business segments as provided in applicable Accounting standards may be used for determining the line of business.</p>	<p>Within 24 hours of Board approval in case no third party is involved.</p> <p>In case the arrangement or tie-up involves third party, then within 24 hours from the execution of binding agreement with the party.</p>
<p>Branch expansion or product launch (will include expansion plans and execution of new projects)</p>	<p>10% or more on the Turnover; or if the expansion is 25% or more of the existing branches.</p>	<p>Within 24 hours from the formal launch of the product or increase in branches.</p>

Event	Materiality guidelines – impact by	Timing of disclosure
Awarding, bagging, receiving orders or contracts not in the normal course of business.	10% or more on the Turnover.	Within 24 hours of receipt of the order or the contract.
Amendment/ termination of orders/ contracts not in the normal course of business.	Significant amendments to the terms to the Contracts for which disclosure has been earlier made.	Within 24 hours of amendment/ termination. It is clarified that information which is confidential and proprietary to the business of the Company need not be disclosed.
Loan agreements not in normal course of business.	Any loan agreement, value of which is more than Rs.100 crore., Loan agreements for both long term and working capital loans availed in normal course of business are not to be considered for this.	Within 24 hours of execution of the agreement/ amendment / termination. It is clarified that the Company will not be obliged to disclose information/ revisions which are confidential to the Company.
Agreements which are binding and not in normal course of business.	10% or more on the Network	Within 24 hours from the execution of the agreement/ amendment/ termination. It is clarified that information confidential to the Company need not be disclosed.
Disruption of operations of one or more business divisions due to Strikes / Lockouts / Closure	10% or more on the Turnover	Within 24 hours of the occurrence of the event. The event is said to have occurred when the Company or its Officer (including Promoter) has or ought to have reasonably come into possession of the information in course of his duty.
Disruption of operations of one or more business divisions due to natural calamity or force majeure conditions like fire, earthquake etc.	10% or more on the Profits before tax.or Rs 50 cr whichever is higher	Within 24 hours of occurrence of the event. The event is said to have occurred when the Company or its Officer (including Promoter) has or ought to have reasonably come into possession of the information in course of his duty.
Effects arising out of change in regulatory framework applicable to the Company.	10% or more on the profits before tax or Rs 50 cr whichever is higher.	Within 24 hours of announcement of the change.
Litigations/ disputes/ regulatory action including the Company, its KMP/ promoters becoming a party to any litigation, assessment,	10% or more on the profits before tax or Rs 50 cr whichever is higher	Within 24 hours of becoming a party to the dispute/litigation/ action.

Event	Materiality guidelines – impact by	Timing of disclosure
adjudication, arbitration or dispute reconciliation etc. the outcome of which can reasonably be expected to have an impact on the company		And till the litigation is concluded or dispute is resolved.
Frauds/ defaults by Directors/ employees (other than KMPs)	10% or more on the profits before tax for employees or Rs.10 cr whichever is higher	Within 24 hours from the time of receipt of information on occurrence of default or receipt of the investigation report establishing the fraud. . In case of arrest, 24 hours from the arrest.
Options to purchase securities including ESOP/ESPS scheme	10% or more of the networth.	Within 24 hours of the grant of options.
Giving guarantees/indemnity/ becoming a surety for third party.	10% or more of the networth.	Within 24 hours of signing the agreement.
Granting, withdrawal, surrender, cancellation or suspension of key licenses/ approvals	10% or more of the turnover	Within 24 hours of occurrence of the event
Any other major development likely to impact business such as emergence of new technologies, expiry of patents, change in accounting policy etc.	10% or more of the turnover	Within 24 hours of occurrence of the event.

4. Determination of occurrence of the a material event:

The Company and its Whole Time Director will determine the occurrence of a Material event or information, in compliance with Annexure II of the SEBI Circular, or any other guidance note, circular, clarification or FAQs released by SEBI from time to time in relation to Regulation 30 of the SEBI LODR Regulations, which includes the following:

- (a) In instances where discussions, negotiations or approvals are required, the event shall have occurred at the time of receipt of approval of the Board (for instance, in case of a rights issue), and in certain cases after receipt of both Board and shareholder approval;
- (b) In instances where discussions, negotiations or approvals are required, which involve price sensitivity (for instance, in case of declaration of dividends, etc), the event shall have occurred on receipt of Board approval, pending shareholders approval; and
- (c) In instances which do not involve discussions, negotiations or approvals (such as natural calamities, disruptions, etc) the event shall have occurred when the Company becomes aware of the events or

information, or as soon as an Officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of duties.

5. Corporate disclosure practices:

The Company's code for corporate disclosure practices for prevention of Insider trading approved by the Board and placed on the website of the Company which lays down the norms for disclosure of price sensitive information, overseeing and coordinating the disclosures, manner of responding to market rumours etc. will be binding on the Company and will run parallel to this manual.
