

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

I. Preamble

The Securities and Exchange Board of India ("SEBI") vide its Notification dated September 02, 2015 had issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"). In terms of the said Regulations, Gillanders Arbuthnot and Company Limited (GACL) was required to disclose events or information which, in the opinion of the Board of Directors of the Company, are material. Accordingly the Board of Directors had adopted the Policy for Determination of Materiality of Events /Information ("the Policy") in terms with Regulation 30 of the Regulations, at its meeting held on 14th November, 2015, which laid down the indicative events which may have 'material impact' on the performance or operations of the Company. The Board of Directors of the Company at its meeting held on 28th March, 2018 has amended the said policy to give effect to changes in Key Managerial Personnel.

II. Objective

The Policy for Determination of Materiality of Events / Information provides guidance to the Board, management and staff on the assessment of materiality of events which will have bearing on the performance / operations of the Company.

III. Definitions

- a. **"Board"** means the Board of Directors of the Company.
- b. **"GACL or Company"** means "Gillanders Arbuthnot and Company Limited."
- c. **"Key Managerial Personnel" (KMP)** means Key Managerial Personnel (KMP) as defined in Section 2(51) of the Companies Act, 2013, as amended.
- d. **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 which include modifications/clarifications/circulars thereof.
- e. **"Policy"** means "Policy for Determination of Materiality of Events/Information"

- f. **"Promoter"** according to Section 2(69) of the Companies Act, 2013, means any person:
- who has been named as such in a prospectus or is identified by the Company in the annual return referred to in Section 92; or
 - who has the control over the affairs of the Company, directly or indirectly whether as a shareholder, director or otherwise; or
 - in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act:

Provided that nothing, as contained in sub-clause (iii) shall apply to a person who is acting in a professional capacity.

g. **"Subsidiary"** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013;

IV. Policy

The Board recognizes that materiality in a particular circumstance is a matter of judgment. Therefore, pursuant to Regulation 30(5), the Board of Directors have authorized the Managing Director, Executive Director & CEO, Chief Financial Officer and Company Secretary ("Authorized Persons") for the purpose of determining materiality of an events or information and making disclosure to Stock Exchanges. The materiality of the events or information will be decided in consultation with Divisional Heads and Senior Management Personnel or persons connected with the events or information. The Contact details of the above KMPs so designated shall be disclosed to the Stock Exchanges and also be placed on the Company's website.

V. Applicability

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- The Company shall make disclosure of events specified in Para A of Part A of Schedule III of the Listing Regulations (Attached as **Annexure A** to this Policy), as may be amended from time to time, without applying any test of materiality to the Stock Exchanges within specified timelines.
- The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations (Attached as **Annexure B** to this Policy), as may be amended from time to time, based on application of the criteria for determination materiality.

- iii. 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 shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.
- iv. The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors, is material. In case where an event occurs or information is available with the company, which has not been indicated in sub-para i, ii and iii above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

VI. Criteria for determination of materiality of events / information

The Company shall consider the following criteria for determination of materiality of event/information as stated in sub-para ii and iii above:-

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. 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;
- iii. 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, the event / information is considered material.

Without prejudice to the generality of A, B and C above, the Company may make disclosures of event/information as specified by the Board from time to time.

VII. Disclosure of material events / information

The Company shall disclose to the Stock Exchanges of all events, specified in Annexure A as soon as reasonably possible and not later than 24 hours from the occurrence of the event/information. In the event the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures provide an explanation for such delay.

The disclosure with respect to events specified in sub-para 4 of Annexure A shall be made within thirty minutes of the conclusion of the board meeting.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the Stock Exchanges with relevant explanations.

The Company shall also disclose all events or information with respect to subsidiaries which are material, if any, for the Company.

VIII. Disclosure on the website of the Company

All such events or information which has been disclosed to Stock Exchanges under the Listing Regulations shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five years. The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company

IX. Company's powers/ amendments

The Company reserves its right to amend, suspend, modify or rescind this Policy in whole or in part, at any time without assigning any reason whatsoever. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and promote the objective of good corporate governance.

Date: 28th March, 2018

ANNEXURE A

PARA A OF PART A OF SCHEDULE III OF THE REGULATIONS

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

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –

(a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;

(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3. Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;

b) any cancellation of dividend with reasons thereof;

c) the decision on buyback of securities;

d) the decision with respect to fund raising proposed to be undertaken

e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;

f) 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 B

PARA B OF PART A OF SCHEDULE III OF THE REGULATIONS

Illustrative list of events which shall be disclosed upon application of the guidelines for the guidelines for materiality:

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.