

**POLICY FOR DETERMINING MATERIALITY  
OF EVENTS OR INFORMATION**

## **PREAMBLE:**

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Stellant Securities (India) Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

This Policy will be applicable to the Company effective December 1, 2015.

## **DEFINITIONS:**

**"Act"** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

**"Board of Directors" or "Board"** shall mean the Board of Directors of Stellant Securities (India) Limited, as constituted from time to time.

**"Company"** shall mean Stellant Securities (India) Limited.

**"Listing Agreement"** shall mean an agreement entered or proposed to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time.

**"Material Event" or "Material Information"** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 4 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.

**"Policy"** shall mean this Policy on the criteria for determining Materiality of events or information and as amended from time to time.

**"Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

"**Schedule**" shall mean Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

**AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE:**

The following KMP is hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)"):

a. Managing Director

The materiality of events outlined are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

Details of above KMP shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

**GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

Certain information is *per se* Material Information as defined in the Regulations. An illustrative list of such Material Information is attached as **Annexure A**.

Besides *per se* Material Information, materiality of an event / information must be subject to the following two criteria:

1. **Quantitative criteria** would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

(a) exceeds ten per cent of the consolidated gross turnover, or

(b) exceeds ten per cent of the consolidated net worth;

Whichever is lower.

2. **Qualitative criteria** would mean an event/ information:

(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; or

(c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

An illustrative list of such Material event/ information is attached as **Annexure B**.

### **DISCLOSURE OF EVENTS OR INFORMATION:**

**A.** Events specified in **Annexure A** are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:

i. inform the stock exchanges on which the securities of the Company are listed;

ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

**B.** The Company shall make the disclosure of events/information as specified in **Annexure B** based on application of guidelines for determining Materiality as per the Policy.

All the above disclosures will be hosted on the website of the Company for a minimum period of five years and thereafter archived in accordance with the Company's policy for Preservation and Archival of Documents.

### **AMENDMENTS:**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## ANNEXURE A

### **Events which shall be mandatorily disclosed without any further consideration of the guidelines for materiality:**

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. - '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 Company 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 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 credit rating(s);

4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of any 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 a dividend with reasons therefor;

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 of reserves 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 which may be to subscribed to;

g) short particulars of any other alterations of capital, including calls;

h) financial results;

i) 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 they impact 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 a Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or a 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 Company;

13. Proceedings of Annual and extraordinary general meetings of the Company;

14. Amendments to memorandum and articles of association of Company, in brief;

15. Schedule of Analyst or institutional investor meets and presentations on financial results made by the Company to analysts or institutional investors.

## ANNEXURE B

### **Illustrative list of events which shall be disclosed upon application of 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 the business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-ups, 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, winning/ receiving, amendment or termination of awarded/won 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 the 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 divisions of the Company due to a 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 their possible 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 a guarantee or an indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
13. Any other information/event/ 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.