

Policy for Determining Materiality of Events and Information for Disclosures

PROCAL ELECTRONICS INDIA LIMITED
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Policy for Determining Materiality of Events and Information for Disclosures

Introduction:

The Securities and Exchange Board of India (SEBI) has issued and notified “SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”). The Regulations *inter-alia* require companies whose securities are listed on the Stock Exchanges to make disclosures of certain events in a timely manner, to enable the holders of securities to apprise its position and to avoid the establishment of a false market.

Scope:

Disclosure Requirements:

The Regulations has specified certain events which are material (Annexure A and Annexure B to this Policy) requiring disclosures not later than 24 hours from the occurrence of the event or information. Accordingly, the Company shall intimate such events to the Stock Exchanges (‘Exchanges’) where the shares of the Company are listed within 24 hours of such occurrence.

Criteria for determining materiality of certain events/information:

The Regulations also require the Board of Directors of a listed company to frame a policy for determination of materiality in respect of certain events (Annexure B to this Policy). Accordingly, the Board of Directors of Edelweiss Financial Services Limited (the Company), has laid down the following criteria for determination of materiality of an event or information for disclosure to the Stock Exchange(s) where the shares of the Company are listed:

- i) the omission of an event / 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 (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 or information is considered material.

Disclosure of Other Events:

In case of an event not indicated in Annexure A or Annexure B but having material impact on the Company, adequate disclosures shall be made by the Company to the Exchanges.

Power to determine materiality:

The Key Managerial Personnel of the Company are severally authorised to determine the materiality of an event or information and for the purpose of making disclosure to the Exchanges.

Review of Policy

This Policy shall be subject to review as may be deemed necessary and in accordance with any statutory / regulatory requirements.

This Policy shall come into force from December 1, 2015.

Annexure "A"

Events which shall be disclosed without any application 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:- For this purpose, 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 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 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 Company 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.), Auditors 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 the Company, 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"

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 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 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 the 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.
13. 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.