

## Policy for determination of materiality of events/information to be disclosed to the Stock Exchange

**Introduction:** The Securities and Exchange Board of India (SEBI), in its endeavour to consolidate and streamline the provisions of the existing Listing Agreements for different market segments of the capital market, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as the 'Listing Regulations'] vide its Notification No. SEBI/LAD-NRO/GN/2015-16/013 dated 02<sup>nd</sup> September 2015 which shall come into force with effect from 01<sup>st</sup> December, 2015.

In terms of the above Listing Regulations, it is mandatory for every listed entity whose equity and convertible securities are listed, to formulate a Policy for determination of materiality of events/information to be disclosed to the Stock Exchange. This would result in consistency and uniformity in the information disclosed by listed entities to the Stock Exchange which would enable the investors to make well informed investment decisions based on the disclosures made.

De Nora India Limited (the 'Company') endeavours to comply with the above provision and provide timely, adequate and accurate disclosure of information on an ongoing basis to its various stakeholders. To achieve this objective, and in compliance with the aforesaid SEBI Regulations, De Nora India Limited hereby frames this Policy to be adopted by its Board of Directors.

**Objective and Purpose of the Policy:** The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates formulation of a Policy for determination of materiality of events/information to be disclosed to the Stock Exchange. This Policy has been framed for complying with this requirement.

The Policy also seeks to ensure prompt disclosure of material events/information to the investor community by the Company to enable them to take informed decisions with regard to the Company's Securities.

**Policy:** This policy is in conjunction with the provisions of Clause 30 of the Listing Regulations and the Guidance Circular No. CIR/CFD/CMD/4/2015 dated 09<sup>th</sup> September 2015 issued by SEBI.

The Company shall make disclosures to the Stock Exchange in compliance with the provisions of Section 30 and Part A of Schedule III of the Listing Regulations. In determining the details of the information/event that needs to be disclosed and the timing of the disclosure the Company would be guided by the provisions of the Guidance Circular No. CIR/CFD/CMD/4/2015 dated 09<sup>th</sup> September 2015 issued by SEBI and the annexures attached to it.

The Listing Regulations divide the events that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality as indicated in Para A of Part A of Schedule III of the Listing Regulations.

And second, events that have to be disclosed by the Company by applying the test of materiality as indicated in Para B of Part A of Schedule III. The criteria for determining materiality of events/information are given in Section 30(4) of the Listing Regulations.

The Company shall mandatorily disclose the events as specified in Para A of Part A of Schedule III of the Listing Regulations, without applying any test of materiality, the same have been enclosed as Annexure - 1 for reference.

The Company shall make disclosure of events specified in Para B of Part A of Schedule III (enclosed as Annexure - 2), based on application of the guidelines for materiality, as specified below:

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

(a) exceeds 20 per cent of the gross turnover, or

(b) exceeds 20 per cent of the net worth

whichever is lower.

**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 which 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 Company, the event / information is considered material.

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 company to appraise its position and to avoid the establishment of a false market in such securities, as stated under Para C of Part A of Schedule III of the listing regulations, be disclosed as may be advised by the Board from time to time.

The Board of Directors may also specify any event/information which in their opinion is material to the Company and that needs to be disclosed to the stakeholders apart from those listed in the Listing Regulations.

**Authorisation for disclosures:** In terms of the provisions of Section 30 of the Listing Regulations, the Board of Directors of the Company shall also authorize one or more Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchange.

Accordingly, the Chief Executive Officer and the Chief Financial Officer of the Company are jointly authorised by the Board to determine the materiality of an event/information and to make disclosures to stock exchange(s). Contact details of such authorized personnel needs to be disclosed to the stock exchange(s) and shall also be available on company's website.

The appointed KMP shall be responsible for complying with all the provisions of the Listing Regulations and the provisions of this policy in a time bound manner and to keep the Board informed about the disclosures made.

In the event the Board or the Key Managerial Personnel are unable to apply the provisions of the guidelines issued by SEBI, the Key Managerial Personnel shall use his/her discretion and fair judgement in analysing whether the event/information is material and requires adequate disclosure to the Stock Exchange and accordingly take necessary steps after consulting the Chief Executive Officer of the Company.

**Effective Date of the Policy:** The Policy shall be effective from 1<sup>st</sup> December 2015.

**Alteration of the Policy:** The Board of Directors shall have the power to alter the provisions of this Policy or substitute any of the provision(s) with a new provision(s) or replace the policy entirely with a new policy subject to the applicable laws. However, no such alteration or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

Any departure from the provisions of the Policy shall be recorded in writing and reasoned in the Board minutes.

Any subsequent amendment/modification in the Listing Regulations and/or applicable laws in this regard shall automatically apply to this Policy.

**Disclosure of the Policy:** The policy shall be posted on the Company's website and events and information disclosed to the Stock Exchange in terms of this policy will also be kept posted on the website of the Company for at least 5 years from the date of such event/information is posted.

The contact details of the persons authorized by the Board are also available on the website of the Company.

### ANNEXURE 1

The below list of events as specified in Para A of Part A of Schedule III of the listing regulations, are deemed to be material events and disclosure of such events shall be made to the Stock exchanges as per the Listing regulations, 2015 and as amended from time to time.

Schedule III, PART 'A' and Para 'A'	Provision
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
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 : 1. 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 2. any cancellation of dividend with reasons thereof 3. the decision on buyback of securities 4. the decision with respect to fund raising proposed to be undertaken 5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched 6. 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 7. short particulars of any other alterations of capital, including calls 8. financial results 9. decision on voluntary delisting by the company from stock exchange(s)
5	Agreements which are binding and not in normal course of business, revisions or amendments and terminations thereof (viz. shareholder agreements, joint venture agreements, family settlement agreements, contracts with media companies)
6	Fraud/defaults by promoter or key managerial personnel or by company or arrest of key managerial personnel or promoter - At the time of unearthing of fraud or occurrence of the default / arrest - Subsequently intimate the stock exchange(s) further details regarding fraud/default/arrest
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 listed entity, in brief
15	Schedule of Analyst or institutional investor meet and presentations on financial results made by the company to analysts or institutional investors

## ANNEXURE 2

The below list of events as specified in Para B of Part A of Schedule III of listing regulations, as amended from time to time, to be disclosed to the stock exchanges based on application of the guidelines for materiality.

<b>Schedule III, PART 'A' and Para 'B'</b>	<b>Provision</b>
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 company 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 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