



POLICY FOR DETERMINING MATERIALITY OF AN EVENTS OR INFORMATION

1. Introduction

The Securities and Exchange Board of India (SEBI) on 2nd September, 2015 issued the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Regulations”) with the aim to consolidate and streamline the provisions of existing listing agreements thereby ensuring better enforceability and bringing the basic framework governing the regime of Listed Entities in line with the Companies Act, 2013 and at the same time compiling all the mandates of varied SEBI Regulations / Circulars governing Equity as well as Debt segments of capital market.

Regulation 30 of the Regulations deals with disclosure of material events / information by the Company whose equity and convertible securities are listed and are required to make disclosure of events / information specified under the relevant Schedule of Regulation 30.

2. Applicability:

This Policy shall be applicable to all the events relating to the Company as and when they fall under the criteria as mentioned in clause 5 of this Policy.

The purpose of this Policy is to determine materiality of events and information based on criteria specified under Regulation 30 of the Listing Regulations and to ensure that the Company shall make timely disclosures of events / information specified under the Regulations to the Stock Exchanges.

3. Definitions

Capitalized terms used but not defined herein shall have the same meaning as assigned thereto in the Listing Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder or any other applicable laws or regulations, as the case may be.

- a) “Act” means the Companies Act, 2013, including any amendment or modification thereof.
- b) “Board” means Board of Directors of the Company.



- c) “Company” means Pratibha Industries Limited.
- d) “Regulations” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

4. Disclosure of events or information

Pursuant to regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, every listed Company shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.

Events or information that is to be disclosed without any application of the guidelines for materiality are specified in **Annexure-A** to this Policy, which are deemed to be material events.

Events or information that is to be disclosed based on materiality principle are specified in **Annexure-B** to this Policy.

5. Guidelines for Assessing Materiality:

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determination of materiality of event or information:–

- a) The omission of an event or information which is likely to :
- result in a discontinuity or alteration of an event or information already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date.
- b) In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.



6. Prompt disclosure of material events

Company shall first disclose to stock exchange(s) of all events, as specified in Annexure-A or information as soon as reasonably possible as and not later than 24 (Twenty four) hours from the occurrence of event or information.

Provided that in case the disclosure is made after 24 (Twenty four) hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay.

Company shall with respect to disclosures referred to the regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the regulation, and such disclosures shall be hosted on the website of the Company. i.e. www.pratibhagroup.com for minimum period of five years and then after as per the archival policy of the listed entity, as disclosed on its website.

Company shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

In case where an event occurs or information is available with the Company, which has not been indicated in annexure, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.

7. Authority Key Managerial Personnel

The Board of Directors of the Company has authorized jointly and severally Managing Director, Chief Executive Officer and Chief Financial officer for the purpose of determining materiality of an events/information and for the purpose of making disclosures to stock exchanges under this regulation. For determining materiality of an event or information consent of any two of the key



managerial personnel shall be required. Contact details of the Managing Director, Chief Executive Officer and Chief Financial Officer have been disclosed to the stock exchange and also it is disseminated on the company's website.

7. Modification and Amendments

The Board of Directors shall alter, amend or modify the clauses of this Policy from time to time in line with the requirement of the SEBI Guidelines or any other rules, regulations etc., which may be amended and applicable from time to time.

8. Other requirements

This policy for determining materiality of events or information and any amendment thereof shall also be published on the official website of Company i.e. www.pratibhagroup.com.



ANNEXURE-A

DISCLOSURE OF EVENTS OR INFORMATION

- **Events which shall be disclosed without any application of the guidelines for materiality.**
- (a) 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.
 - (b) 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.
 - (c) Revision in Rating(s).
 - (d) 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:
 - i. 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;
 - ii. any cancellation of dividend with reasons thereof;
 - iii. the decision on buyback of securities;
 - iv. the decision with respect to fund raising proposed to be undertaken;
 - v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - vi. 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;
 - vii. short particulars of any other alterations of capital, including calls;
 - viii. financial results;
 - ix. decision on voluntary delisting by the listed entity from stock exchange(s).
 - (e) 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.
 - (f) Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.



- (g) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
- (h) Appointment or discontinuation of share transfer agent.
- (i) Corporate debt restructuring.
- (j) One time settlement with a bank.
- (k) Reference to BIFR and winding-up petition filed by any party / creditors.
- (l) 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.
- (m) Proceedings of Annual and extraordinary general meetings of the listed entity.
- (n) Amendments to memorandum and articles of association of listed entity, in brief.
- (o) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.



Annexure-B

DISCLOSURE OF EVENTS OR INFORMATION

- **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. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
 4. 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.
 5. Disruption of operations of any one or more sites of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
 6. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
 7. Litigation(s) / dispute(s) / regulatory action(s) with impact.
 8. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
 9. Options to purchase securities including any ESOP/ESPS Scheme.
 10. Giving of guarantees or indemnity or becoming a surety for any third party.
 11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

- 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 listed entity 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.

- Company may make disclosures of event/information as specified by the Board from time to time.