

Policy for Determination and Disclosure of Materiality of Events and Information

BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall become applicable from December 1, 2015, i.e., within 90 days from the date of its notification on September 2, 2015. The said Regulation, *inter alia*, provides that every listed company shall make disclosures of any events or information which, in the opinion of the Board is material. It is also incumbent upon the Company to frame a policy for determination of materiality which should be duly approved by the Board and disclosed on the Company's web site.

In the light of the foregoing requirements, the Board of Directors of the Company at their meeting held on September 29, 2017, have formulated this policy for disclosure of events or information pursuant to the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Disclosure of Events and Information on basis of applying materiality to Stock Exchanges

The information covered by this Policy shall include "information relating to the Company's business, operations or performance which has significant effect on securities investment decision" that the Company is required to disclose in a timely and appropriate manner by applying the criteria for assessing materiality as mentioned in Clause 2.

The events and information that is to be disclosed based on the principle of materiality are specified in the Annexure I.

2. Criteria for determination of materiality of events / information

The criteria laid down in Regulation 30(4)(i) of the above Regulations shall be applied for determination of materiality of the event or information. The criteria are reproduced as under:-

- (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; and

(c) In case 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 listed entity, the event / information is considered material.

Further, the following materiality criteria shall be adopted in the case of the Company, its Subsidiaries and Associate companies with respect to transactions for reporting to the Stock Exchange(s).

The event / information will be considered material based on above criteria; where the value involved or the impact:

- (a) exceeds 10% (ten per cent) of the Company's consolidated gross income; or
 - (b) exceeds 10% (ten per cent) of the Company's consolidated net worth;
- whichever is lower.

3. Persons Responsible for Making Disclosure of Material Events and Information to Stock Exchanges

Any transaction, event or information relating to the Company and/or its Subsidiaries that might be material is required to be reported immediately by the employees of the Company and/or its Subsidiaries to Key Managerial Personnel (CEO / CFO / Company Secretary) of the Company.

The Key Managerial Personnel will ensure that adequate disclosures with respect to such material events/information are made to the stock exchanges within the timeline prescribed under the Listing Regulations.

4. Amendments/Modifications

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the Listing Regulations or such applicable law, then the provisions of the Companies Act, 2013 or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such change.

5. Date of applicability of policy

The above policy as approved by the Board shall be operational with effect from September 29, 2017 and the same shall be available on the Company's web site www.sharikaindia.com.

Events or Information that are to disclosed based on the materiality guidelines stated in the Policy

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 litigation(s) / dispute(s) / regulatory action(s) with impact.
8. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the above the Company may make disclosure of events and information as may be decided by the Board from time to time.