

JAI BALAJI INDUSTRIES LIMITED

***POLICY FOR DETERMINATION OF MATERIALITY OF
EVENTS AND INFORMATION FOR DISCLOSURES TO THE
STOCK EXCHANGES***

***AS PER SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENT) REGULATIONS, 2015***

Policy for determination of Materiality of any Event / Information

[Pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

PREAMBLE

The Securities and Exchange Board of India (SEBI), has vide its notification dated 2nd September, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") effective from 1st December, 2015. As per Regulation 30 of the SEBI Listing Regulations, a listed entity is required to frame a policy for determination of materiality of events/information for disclosure to the Stock Exchanges in order to ensure timely, adequate and accurate disclosure of information on an ongoing basis and to enable investors to make well – informed investment decisions.

APPLICABILITY

The policy shall be applicable to all events in the Company, as and when they fall under the criteria enumerated in the policy.

DEFINITIONS

All the terms and expressions used in this Policy shall have the same meaning assigned to them under the SEBI Listing Regulations and in the absence of its definition or explanation therein, then the terms shall be construed as per Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder including any statutory modification or re-enactment thereto, as the case may be.

MATERIAL EVENTS / INFORMATION TO BE DISCLOSED

A. Events / Information which shall be deemed material and shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality within 30 minutes of the closure of the Board Meeting of the Company.

- 1) declaration of 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).

B. Events / Information which shall be deemed material and shall be disclosed to the Stock Exchanges without any application of the guidelines for materiality as soon as reasonably possible and not later than twenty four hours from the occurrence of the event/information.

- 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 the purpose of this sub-para, 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 listed entity 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) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts 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.
- 5) Fraud / defaults by Promoter or Key Managerial Personnel (KMP) or by the Company or arrest of Key Managerial Personnel (KMP) or Promoter.
- 6) Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 - a. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - b. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities.
 - I. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchange.
 - II. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

III. The confirmation as provided by the independent directors above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified.

- 7) Appointment or discontinuation of share transfer agent.
- 8) Corporate debt restructuring.
- 9) One time settlement with a bank.
- 10) Reference to Board of Industrial and Financial Reconstruction (BIFR) and winding-up petition filed by any party/creditors.
- 11) 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.
- 12) Proceedings of Annual and extraordinary general meetings of the Company.
- 13) Amendments to Memorandum and Articles of Association of the Company.
- 14) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- 15) The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the insolvency code:
 - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default.
 - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable'
 - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2) (c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f. Appointment/Replacement of the Resolution Professional;
 - g. Prior or post-facto intimation of the meetings of committee of creditors;
 - h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i. Number of resolution plans received by Resolution Professional;
 - j. Filing of resolution plan with the Tribunal
 - k. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified.
 - l. Any other material information not involving commercial secrets.

C. Events / Information which shall be considered material and shall be disclosed to the Stock Exchanges upon application of the guidelines / criterion for materiality as soon as reasonably possible and not later than twenty four hours from the occurrence of the event/information.

- 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.

The Events / Information as enumerated in Clause (C) of this Policy shall be considered Material only on application of the following guidelines / criteria –

The Company shall consider the following Qualitative guidelines / criteria for determination of Materiality of events / information:

- 1) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 2) 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;
- 3) 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, the event / information is considered material.

D. Any other Event / Information:

The Company shall also disclose the following events / information to Stock Exchanges –

- 1) Event / Information 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.
- 2) Any event / information as may be specified by SEBI from time to time.

The Company shall disclose all material developments on a regular basis, with respect to the disclosures referred to in Clause (A), (B), (C), (D) till such time the event is resolved/closed, with relevant explanations.

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

All the disclosures submitted to the Stock Exchanges under the SEBI Listing Regulations and this Policy shall also be hosted on the Website of the Company i.e. www.jaibalajigroup.com for a minimum period of 5 (five) years from the date of its disclosure and thereafter archived from the website of the Company.

AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION AND TO MAKE DISCLOSURES TO STOCK EXCHANGES(S)

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the SEBI Listing Regulations, the Board of Directors of the Company have authorized the Chairman & Managing Director and the Whole-time Director and Chief Financial Officer of the Company, jointly or severally to determine the materiality of an event or information. Further the Board of Directors has authorized along with them the Company Secretary & Compliance Officer of the Company to make disclosures to Stock exchanges(s) under this regulation.

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AMENDMENT

The Board is authorized to make such alterations to this Policy as considered appropriate. However, such alterations shall not be inconsistent with the provisions of the SEBI Listing Regulations. Further, In case of any subsequent changes in the provisions of the SEBI Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the SEBI Listing Regulations or such applicable law, then the provisions of the SEBI 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.