

FILATEX INDIA LIMITED

POLICY FOR DETERMINING MATERIALITY OF EVENTS

**[Pursuant to Regulation 30 of the Securities
and Exchange Board of India (Listing
Obligations and Disclosure Requirements)
Regulations, 2015]**

I. PREAMBLE:-

The Securities and Exchange Board of India (SEBI) has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on 2nd September 2015 which will be effective from 1st December 2015.

This Policy has been framed in accordance with the requirements of the Regulation 30 of the said Listing Regulations to provide a framework for determining materiality of events or information of the Company.

II. DEFINITIONS:

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the meaning given in the Listing Regulations:

- a. “**Board of Directors**” or “**Board**” means the Board of Directors of Filatex India Limited (including duly authorised committee thereof), as constituted from time to time.
- b. “**Company**” means Filatex India Limited.
- c. “**Listing Agreement**” shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d. “**Material Event**” or “**Material Information**” shall mean such event or information as set out in this Policy or as may be determined in terms of Clause III of this Policy. In this Policy, the words, “material” and “materiality” shall be construed accordingly.

III. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

- a. Events or information specified in Para A of Part A of Schedule III (Annexure A), shall be deemed to be material.
- b. In respect of events or information specified in Para B of Part A of Schedule III (Annexure B), the following criteria shall be applied for determination of materiality:-

- (i) the omission of an event or 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 sub-clauses (i) and (ii) are not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered material.
- c. 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.
- d. Without prejudice to the generality of para (a), (b) and (c) above, the Company may make disclosures of event/information as specified by SEBI from time to time.

IV. DISCLOSURES OF EVENTS OR INFORMATION

- a. The Company shall disclose to the stock exchange all the events or information as specified in Clause III above, within such time as specified in the Listing Regulations.
- b. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- c. All the above disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Archival Policy of the Company.

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

V. **AUTHORISATION OF KEY MANAGERIAL PERSONNEL**

The Chief Financial Officer of the Company being Key Managerial Personnel (KMP), has been authorised to determine materiality of any event or information subject to the provisions of this policy.

VI. **POWER TO AMEND THE POLICY**

The Policy may be amended from time to time by the Board.

Events or information specified in Para A of Part A of Schedule III

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 listed entity 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. Outcome of Meetings of the board of directors: The listed entity 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.), 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 listed entity.
 13. Proceedings of Annual and extraordinary general meetings of the listed entity.
 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 listed entity to analysts or institutional investors;

Annexure B

In respect of events or information specified in Para B of Part A of Schedule III

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
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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.