



K.P.R. MILL LIMITED – POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION

POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION FOR DISCLOSURE TO STOCK EXCHANGES

Purpose:

In Pursuance of Clause 30(4)(ii) of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulation”), the Board of Directors of the Company in its Meeting held on 27.10.2015 have adopted this policy for determining material Events/Information for the purposes of disclosure to the Stock Exchanges.

Objective:

The objective of this Policy is to frame criteria for determining the material event/information for disclosure to Stock Exchanges.

Criteria for Determining Materiality:

I) The Company shall make disclosures of any events or information which, in the opinion of Board of Directors of the Company is material.

II) The following events are deemed to be material events and the Company shall make disclosure of such events without any application:

1. Acquisition (as defined in Regulation,) 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.

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. The outcome of Meetings of the Board of Directors, 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;



K.P.R. MILL LIMITED – POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION

- 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 formor 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 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.
6. Fraud/defaults by promoter or key managerial personnel or by Company 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.



K.P.R. MILL LIMITED – POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION

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.

13. Proceedings of Annual and Extra-ordinary General Meetings.

14. Amendments to Memorandum and Articles of Association in brief.

15. Schedule of Analyst or institutional investor meet and presentations on financial results made to analysts or institutional investors;

III) The following events if material, shall be disclosed upon application.

Type of Event/s	Materiality
Commencement/ postponement of commercial production or commercial operations of any unit/division	If delay or postponement exceeds 18 months.
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 (entirely or piecemeal).	If new line of business or closing an existing one, exceeds 25% of existing standalone revenue.
Capacity addition or product launch	If it exceeds 50% of the current installed capacity.
Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	If it is over 10% of the standalone turnover of the immediately preceding financial year results.
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.	If borrowings exceed the net worth of the Company; agreements and their revision/amendments.
Disruption of operations of any 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.	If it affects over 25% of the then production or turnover.
Effect(s) arising out of change in the applicable regulatory framework.	If it involves a cost of over Rs.20 Crores or 2% of the consolidated turnover.



K.P.R. MILL LIMITED - POLICY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION

Litigation(s) / disputes / regulatory action(s) with impact	Single Litigation/Dispute/regulatory actions that involve claims of more than Rs.100 Crores.
Fraud/ defaults etc. by directors (other than key managerial personnel) or employees.	If it is more than Rs.100 Crores.
Options to purchase securities including any ESOP/ESPS Scheme	Beyond 10% of the paid up capital on a preferential basis.
Giving of guarantees or indemnity or becoming a surety for any third party.	Other than government agencies, if it exceeds Rs.100 Crores.
Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	If it affects over 20% of the production or sales.
Emergence of new technologies.	If it changes the general character or nature of business.
Expiry of patents.	That earns more than 10% of its revenue.
Change of accounting policy that may have a significant impact on the accounts.	Significant changes other than those mandated by law.

4) Without prejudice to the generality of para (I), (II) and (III) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

Communication:

Copy of this policy duly approved by the Board as amended from time to time, shall be made available at the Website of the Company.

Officer Responsible:

In pursuance of the Regulation the Board of Directors of the Company have authorized Company Secretary & Compliance Officer, for the purpose of making disclosure of material event to the Stock Exchanges.

It should be noted that while adhering to the Policy it should be ensured that the same are in line with the Regulation.