

ELEGANT MARBLES & GRANI INDUSTRIES LTD.

Manufacturers / Importers / Exporters of Mirror Polished Italian Marbles & Granites

Policy on determination of Materiality of events / information & Disclosure of Material events / information

1. Preamble

Elegant Marbles and Grani Industries Limited ("the Company") has adopted this Policy in order to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated and to provide an overall governance framework for such determination of materiality as provided under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

This Policy will be applicable to the Company with effect from December 1, 2015.

2. Objective of the Policy and Scope

The main objective of this policy is to determine the events and information which in the opinion of the Board are material and needs to be disclosed to the stock exchanges in accordance with the provisions of LODR as per the time span hitherto defined.

The policy is intended to define disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in the Company regarding their responsibility about making available such events / information to public which may materially affect the performance of the Company and thereby the share prices of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation on website, the events / information which are considered material and which needs to be disclosed to the stock exchange.

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made / issued thereunder, as amended from time to time.

3. Definitions

"**Act**" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

"**Audit Committee or Committee**" means Audit Committee constituted by the Board of Directors of the Company, from time to time under provisions of LODR and the Companies Act, 2013.

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“**Board of Directors or Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Independent Director**” means an independent director referred to in sub-section (5) of Section 149.

“**Key Managerial Personnel**” (KMP) mean Key Managerial Personnel as defined in Sub-section (51) of Section 2 of the Companies Act, 2013.

“**Listing Agreement**” shall mean an agreement that is to be entered into between a Recognised Stock Exchange and the Company pursuant to the LODR.

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule of the LODR or as may be determined in terms of this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“**Other Events**” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in Regulation 30 of LODR.

“**Policy**” means Policy on Materiality of Events / Information & Disclosure of Material Events / Information.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. Policy Statement

The Board of Directors of the Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock exchanges as per the time span specified against each category.

Outcome of Meetings of the Board of Directors / Committee of Directors

The Company shall disclose to the Exchange(s), **within 30 minutes of the closure of the meeting** of Board of Directors / Committee of Directors, held to consider the following without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation 30 of LODR:

- 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;

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- 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).

Material Events

The Company shall first disclose to stock exchange(s) of all events, as specified in Para A of Part A of Schedule III as reproduced below, or information as soon as reasonably possible and **not later than twenty four hours** from the occurrence of event or on receipt of information about the event, whichever is later, without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation 30 of LODR:

- a) acquisition, (including agreement to acquire), scheme of arrangement which includes amalgamation / merger / demerger / restructuring, or sale or disposal of 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.
- 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) 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.
- e) fraud / defaults by Promoter or Key Managerial Personnel or by listed entity or arrest of Key Managerial Personnel or Promoter.
- f) change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

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- g) appointment or discontinuation of share transfer agent.
- h) corporate debt restructuring.
- i) one time settlement with a bank.
- j) reference to BIFR and winding-up petition filed by any party / creditors.
- k) 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.
- l) proceedings of Annual and Extraordinary General Meetings of the listed entity.
- m) amendments to memorandum and articles of association of listed entity, in brief.
- n) schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

Note: In case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

Events which shall be disclosed upon application of the guidelines for materiality referred in sub-regulation (4) of regulation (30)

The Company shall disclose to stock exchange(s) of all events, as specified in Para B of Part A of Schedule III as reproduced below, based on application of the guidelines for materiality, as specified in sub-regulation (4) of Regulation 30 of LODR.

- a) commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit / division.
- b) 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).
- c) capacity addition or product launch.
- d) awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business.
- e) 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.

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- f) 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.
- g) effect(s) arising out of change in the regulatory framework applicable to the listed entity.
- h) litigation(s) / dispute(s) / regulatory action(s) with impact.
- i) Fraud / defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- j) options to purchase securities including any ESOP / ESPS Scheme.
- k) giving of guarantees or indemnity or becoming a surety for any third Party.
- l) 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 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.

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

5. Criteria for Determination of Materiality of Events / Information

Materiality has to be determined on

a case to case basis depending on the specific facts and circumstances relating to the event / information. A particular event / information would be considered as material in nature if it satisfies either of the criteria proposed below:

- 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;
- c) 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 of Directors of the Company, the event / information is considered material.

If particular information or event in question satisfies any of the above mentioned criteria, the Company would be under an obligation to disclose the same to the stock exchange.

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6. Authority for Determining Materiality of Events / Information & Disclosures

The Chairman and Managing Director and in his absence Managing Director ('Authorised KMPs') shall be authorised for determining materiality of event / information, classify it as a material event / information, decide the appropriate time at which disclosure is to be filed with the stock exchange and details that may be filed in the best interest of present and potential investors.

The Authorised KMPs shall determine the credibility to the information and / or event and once the information / event has been set out in stone to a level of concretization, the information would be disclosed by the Company in a timely manner.

In some cases, to ascertain materiality thresholds, the Authorised KMPs, shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information / event and while doing so, it may consider, among other factors, the following factors:

- whether there would any direct or indirect impact on the reputation of the Company; or
- whether non-disclosure can lead to creation of false market in the securities of the Company; or
- whether there would be a significant impact on the operations or performance of the Company.

7. Website Updation / Updates to Stock Exchanges

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention & archival policy of the Company.

8. Policy Review

The Policy may be subject to review from time to time as may be decided by the Board.