

PANAFIC INDUSTRIALS LIMITED

Policy for determining Materiality of an Events / Information

(Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015)

1. PREAMBLE:

In order to provide uniform disclosures (so as to rule out disclosure of varying details for similar events by the Companies) and to enable investors to make well-informed investment decisions, SEBI had notified a Listing Obligations and Disclosure Requirements Regulations, 2015 and had issued Circular vide notification no. CIR/CFD/CMD/4/2015 dated September 09, 2015 to help companies to make comprehensive disclosures relating to the indicative list of material events given in Regulation 30 of the Listing Regulation.

The Board of Directors (the “**Board**”) of Panafic Industrials Limited (the “**Company**”) has adopted this Policy pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015, which mandates every listed Company to frame a Policy for Determination of Materiality of Disclosure of Events or Information to Stock Exchange in accordance with the criteria for determination of materiality of events / information specified in this Regulation.

2. OBJECTIVE:

The objective of this policy is to lay down the criteria and procedure for determination of materiality of events / information and to ensure that such information is adequately disseminated to the Stock Exchanges(s) where the securities of the Company are listed in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality

3. DEFINITION:

i. “Acquisition” shall mean

- a. acquiring control of the Company, whether directly or indirectly; or
- b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - i. the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
 - ii. there has been a change in holding from the last disclosure made under subclause (i) of clause (b) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.

- ii. **“Board of Directors” or “Board”** means the Board of Directors of Panafic Industrials Limited, as constituted from time to time.
- ii. **“Company”** shall mean Panafic Industrials Limited.
- iv. **“Key Managerial Personnel”** mean key managerial personnel as defined in sub section (51) of section 2 of the Companies Act, 2013;
- v. **“Policy”** means this Policy for determining Materiality of events or information and as may be amended from time to time.
- vi. **“Material Event” or “Material Information”** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 4 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

4. IDENTIFICATION OF MATERIAL EVENT /INFORMATION:

The Company shall make disclosure of any event / information which in the opinion of the Board of Directors / authorized Key Managerial Personnel is considered to be material.

The Board of Directors / authorized Key Managerial Personnel shall adhere to and take into consideration the following criteria for determining materiality of event / information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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; and
- ii. In case where the criteria specified in (i) and (ii) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors / authorized Key Managerial Personnel, the event / information is considered material.

5. KEY PRINCIPLES IN DETERMINING MATERIALITY:

The Regulations, 2015 divide the events that need to be disclosed broadly in two categories: -

- Events which shall be disclosed without any application of the test of materiality.
- Events which shall be disclosed upon application of test of materiality.

A. EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE TEST OF

MATERIALITY:

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;
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 the Company held to consider the following:
 - 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;
 - any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - 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;
 - short particulars of any other alterations of capital, including calls;
 - financial results;
 - decision on voluntary delisting by the Company 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 off key

Managerial Personnel or promoter;

7. Change in Directors, Key Managerial Personnel, 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 Company;
13. Proceedings of Annual and Extraordinary General Meetings of the Company;
14. Amendments to memorandum and articles of association of Company, in brief;
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

B. EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF TEST OF MATERIALITY:

The Following Events shall be considered Material subject to the application of the guidelines mentioned in Clause (4) above:

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 / ESPSS 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.

6. TIME LIMIT FOR DISCLOSURE:

The Company shall make disclosure to Stock Exchange(s) of all events specified in Clause 5 (A) of this policy, as soon as reasonably possible but not later than twenty-four hours from the occurrence of event or information and/or on becoming aware of it.

Provided that 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.

Provided further that disclosure with respect to events specified in Point 4 of Clause 5 (A) of this policy, shall be made within thirty minutes of the conclusion of the board meeting.

7. APPROVAL PROCESS FOR DISCLOSURE OF MATERIAL EVENTS:

- The Managing Director, Chief Financial Officer and Company Secretary & Compliance Officer of the Company shall be responsible for determining materiality of an event or information based on the criteria enumerated above and any information/event falling under Schedule III of the SEBI Listing Regulations.
- On receipt of confirmation of material event / information from Executive Directors of the Company, the Company Secretary of the Company, shall make necessary disclosures to Stock Exchange(s) on behalf of the Company under the Regulations and also to host the same on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

8. GENERAL:

- i. The Board of Directors of the Company shall have the power to modify, amend or replace this Policy in part or full as may be thought fit from time to time in their absolute discretion as far as it is not in contravention of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. In case of any inconsistency between any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 and this Policy or in case of any omission of any of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013 in this Policy, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.
- iii. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.
- iv. The Guidelines awareness and maintenance ownership will rest with the Managing Director, Chief Financial Officer and Compliance Officer of the Company with oversight by the Board of Directors of the Company.

9. DISSEMINATION OF POLICY:

The Policy for determining materiality of events or information shall be uploaded on the website of the Company at www.panaficindustrialsltd.in

Contact Details of Key Managerial Personnel for Determining Materiality of Events:-

Ms. Sarita Gupta– Managing Director

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