

SBEC SYSTEMS (INDIA) LIMITED

POLICY FOR DETERMINATION OF MATERIALITY

This policy for determination of materiality (the “Policy”) was framed in accordance with Clause 30 of the SEBI (Listing Obligations and Disclosures Requirements (Regulations), 2015 & schedules thereto, duly approved by the Board of Directors of the Company in its meeting held on January 8, 2016.

PURPOSE

This policy is framed for determination of materiality, based on criteria specified hereunder, duly approved by its board of directors.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

- (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 listed entity, the event / information is considered material.

DISCLOSURE OF EVENTS

The events that have to be disclosed are divided in two parts as provided in Schedule III of the Listing Regulation.

➤ **Events that have to be necessarily disclosed without applying any test of materiality (as indicated in Para A of Part A of Schedule III of the Listing Regulation).**

- 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;

- 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.;
- Revision in Rating(s) ;
- Outcome of meetings of the board of directors within 30 minutes of the closure of the meeting. The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting;
- 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;
- Fraud/ Defaults by promoter or key managerial personnel or by the listed entity or arrest of key managerial personnel or promoter;
- Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
- Appointment or discontinuation of share transfer agent;
- Corporate debt restructuring ("CDR");
- One time settlement (OTS) with a Bank ;
- Reference to BIFR and winding-up petition filed by any party / creditors;
- 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 Company with such other details as prescribed there under;
- Proceedings of annual and extraordinary general meetings of the Company and the other prescribed details in brief;
- Amendments to memorandum and articles of association of listed entity, in brief;
- Schedule of analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

➤ **Events that have to be disclosed, if considered material (as indicated in Para B of Part A of Schedule III of the Listing Regulation).**

- Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- Change in the general character or nature of business brought about by: Arrangements for strategic, technical, manufacturing, or marketing tie-up; Adoption of new line(s) of business; Closure of operations of any unit/division - (entirety or piecemeal);
- Capacity addition or product launch;
- Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business; Awarding of order(s)/contract(s)
; Bagging/Receiving of orders/contracts; Amendment or termination of orders/contracts;
- Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
- 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.
- Effect(s) arising out of change in the regulatory framework applicable to the listed entity;
- Litigation(s) / dispute(s) / regulatory action(s) with impact;
- Frauds/ defaults by directors (other than key managerial personnel) or employees of the listed entity;
- Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme);
- Giving of guarantees or indemnity or becoming a surety for any third party;
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals:

- **All events or information with respect to subsidiaries which are material for the Company;**
- **The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.**

As required under Listing Regulations, the Board of Directors of the Company have authorized the Director (CEO) and/or Chief Financial Officer of the Company to determine the materiality of an event or information and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

The Company will also consider the Guidance note as provided in the Listing regulations for determining when and event/information has occurred,

The Company will first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information and if the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, also provide explanation for delay:

The disclosures referred above will be updated on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The Company will also disclose on its website all such events or information which has been disclosed to stock exchange(s) and such disclosures shall be hosted on the website of for a minimum period of five years and thereafter as per the archival policy, as disclosed on its website.

DISCLOSURE OF THE POLICY

This Policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

REVIEW OF THE POLICY

The Board will review this Policy and make revisions as may be required from time to time.