

## **ADC INDIA COMMUNICATIONS LIMITED**

### **POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURES**

#### **A. OBJECTIVE OF THE POLICY**

To have a Policy for determining materiality of events or information for disclosures and to ensure timely and appropriate disclosure of such events or information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015. This Policy has been adopted by the Board of Directors at their meeting held on January 22, 2016.

#### **B. SCOPE AND APPLICABILITY OF THE POLICY**

This Policy is applicable to all disclosures of Material Events or Information by the Company, which in the opinion of the Board of Directors of the Company are material.

Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 has divided the events that need to be disclosed in the following categories.

1. Events specified in Part A of the Annexure are deemed to be material events and Company shall make disclosure of such events.
2. Events specified in Part B of the Annexure shall require disclosure based on application of guidelines for materiality.
3. Events specified in Part C of Annexure shall require disclosure if the event or information viz. major development that is likely to affect business.

#### **C. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

The following criteria shall be considered for determining materiality of events or information.

1. The omission of an event or information which is likely to result in discontinuity or alteration of event or information already available publicly.
2. 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.
3. In case where the criteria specified above are not applicable, an event/information may be treated as being material if in the opinion of the Authorized Persons or the Board of Directors of the Company, the event/information is considered material.

#### **D. AUTHORISED PERSONS**

The Company's Managing Director, Chief Financial officer and the Company Secretary shall severally be responsible and authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange (s) after taking into consideration the various provisions of the Regulations and this Policy. They are also authorized to provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information. The Company Secretary shall co-ordinate the dissemination of such events and information to the Stock Exchange(s).

#### **E. REVIEW OF THE POLICY**

This Policy is subject to review and modifications from time to time as the situation demands. Amendments, if any, to this policy is subject to approval by the Board of Directors of the Company.

## **Annexure**

### **Part A**

#### **List of Events which shall be disclosed without any application of the guidelines for materiality as specified in Clause C of the Policy**

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 Company 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 Company 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 Company from Stock Exchanges.

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.
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.

## **Part B**

### **List of Events which shall be disclosed upon application of the guidelines for materiality as specified in Clause C of the Policy**

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 products launch.
4. Awarding, bagging, receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
5. Agreements (viz loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business).
6. Disruption of operations of any one or more units or division of the Company due to natural calamity, 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/regulatory actions with impact.
9. Fraud/defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company.

10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving guarantees or indemnity or becoming a surety for any third party.
12. Granting withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

### **Part 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of Part A, Part B and Part C above, the Company may make disclosures of event/information as specified by Securities and Exchange Board of India (SEBI) from time to time.