

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS  
AND  
INFORMATION FOR DISCLOSURE  
TO  
THE STOCK EXCHANGES**

# SURAJ PRODUCTS LIMITED

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## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION FOR DISCLOSURE TO THE STOCK EXCHANGES**

*[Adopted by the Board of Directors at its meeting held on November 14, 2015]*

### **Preface**

Securities and Exchange Board of India has vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 made Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) which shall come into force with effect from December 01, 2015.

In terms of Regulation 30 of the Regulations, every listed entity needs to make disclosures of events or information to the stock exchanges which, in the opinion of the Board of Directors of the listed entity, is material. Further, in terms of Regulation 51 of the Regulations, every listed entity having listed its Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares needs to promptly inform the stock exchanges of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible debt securities.

Sub Regulation (4) (ii) of Regulation 30 requires that every listed entity shall have a policy for Determination of Materiality duly approved by the Board of Directors.

This Policy for Determination of Materiality of Events and Information for Disclosure to the Stock Exchanges (hereinafter referred to as ‘this/the Policy’) is accordingly framed in terms of the Regulations and is effective from December 01, 2015.

### **Disclosures**

#### **A. Disclosure of Deemed Material Events to the Stock Exchanges.**

1. The following events/information shall be disclosed to the Stock Exchanges within 30 minutes of the conclusion of the meeting of the Board of Directors of the Company (hereinafter referred to as the ‘Board’) at which these are considered.
  - 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 exchange(s).
2. The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, an explanation for the delay shall be provided.
- a. 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.
  - 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 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.
  - e. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

- f. Change in directors, key managerial personnel (Managing Director, Chairman, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- 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 Company.
- l. Proceedings of Annual General Meeting (AGM) and Extra Ordinary General Meetings (EOGM) of the Company.
- m. Amendments to Memorandum and Articles of Association of the Company, in brief.
- n. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

**B. Disclosure of Events, if material, to the Stock Exchanges.**

The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information, if the impact of such event/information on the Company exceeds 10% of its gross turnover or 10% of its net worth, whichever is higher, or such higher limit as may be determined in the sole discretion of the Managing Director and/or the Chief Financial Officer. The turnover/net worth shall be based on the latest Standalone Audited Annual Financial statements of the Company. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, an explanation for the delay shall be provided.

- 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.
- f. 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.
- g. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- h. Litigation(s)/dispute(s)/regulatory action(s) with impact.
- i. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
- 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.
- m. 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.

The Chairman and/or the Chief Financial Officer shall determine the limits for materiality based on the following criteria:

- (1) The non-disclosure of the event/information is likely to result in discontinuity or alteration of event/information already available in the public domain, or
- (2) It is expected that if the event/information subsequently comes in the public domain, it will impact the market price of the Company's shares significantly, wholly attributable to such event/information, or

- (3) 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, the event/information is considered material.

Material Developments.

Where a disclosure with respect to an event/information to the Stock Exchanges under Clause (A) or (B) above is made, the Company will also disclose material development(s) on the said event/ information, till such time the event is resolved/closed.

Determination of materiality.

The Chairman and the Chief Financial Officer, shall be responsible severally to determine the occurrence of material event reportable to the Stock Exchanges in accordance with the criteria and materiality detailed above. The Chairman and the Chief Financial Officer shall severally make or have made the necessary disclosure(s) to the Stock Exchanges of material event(s) through the Company Secretary.

Disclosure on the website.

This Policy will be posted on the Company's website [www.surajproducts.com](http://www.surajproducts.com) and events & information disclosed to the Stock Exchanges in terms of this Policy will also be kept posted on the said website for at least five years from the date such event/information is posted.

Conclusion.

This Policy will be reviewed as and when deemed necessary in view of the revision/amendment in the Regulations notified from time to time or otherwise.

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