

TECIL CHEMICALS AND HYDRO POWER LTD.

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TECIL CHEMICALS AND HYDRO POWER LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

[Pursuant to Regulation 30 of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Scope and Purpose

The Securities Exchange Board of India (SEBI) on September 2, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015).

Regulation 30 requires the Company to frame and adopt a policy to determine the Material Events by testing the materiality for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchanges.

Accordingly, this Policy on determination of Materiality of Events or Information has been approved and adopted by the Board of Directors of the Company at its meeting held on **22nd January, 2016**.

2. Legal Framework

This Policy for determination of Materiality of Events or Information (the “Policy”) is aimed at providing guidelines to the Management of **M/S. TECIL CHEMICALS AND HYDRO POWER LIMITED** (the “Company”), to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the Stock Exchanges.

This Policy will be applicable to the Company effective December 1, 2015.

3. Objective

The objective of this Policy is to serve as a guiding charter to the Management to ensure timely and adequate Disclosure of events or information are made to the Investor Community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the Securities of the Company.

4. Applicability

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of Shares of the Company.

A. Events which shall be deemed Material

- i. Acquisitions of 5% or more of a Company or purchase of additional 2% in Companies where the current holding is more than 5%.
- ii. Change in holding from the last disclosure and if such change exceeds 2% of the total shareholding or voting rights in the said Company.
- iii. Sale of any unit(s) or division(s).
- iv. Scheme of Arrangement (Amalgamation/ Merger/ Demerger/ Restructuring).
- v. Split or Consolidation of shares, Buyback of Securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including redemption of securities etc.;
- vi. Revision in rating(s);
- vii. Outcome of Board Meetings of the Corporation held to consider the following:
 - a. 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;
 - 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. 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;
 - h. Financial Results;

- i. Decision on voluntary delisting by the Corporation from stock exchange(s).
- viii. Agreements [viz. shareholder agreement(s), joint venture agreement(s), (to the extent that it impacts management and control of the Corporation), agreement(s)/contract(s) with media companies] which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
- ix. Fraud/defaults by any KMP or by the Corporation or arrest of any KMP;
- x. Change in Directors, KMP, Auditor and Compliance Officer;
- xi. Appointment or discontinuation of Share Transfer Agent;
- xii. One time settlement with a Lender;
- xiii. 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 Corporation;
- xiv. Proceedings of Annual and Extra-ordinary General Meetings of the Members of the Corporation;
- xv. Amendments to Memorandum and Articles of Association of Corporation, in brief; and
- xvi. Presentations made at Investor conferences by the Corporation.

The above events shall be disclosed in accordance with the extent Regulations 2015 or guidelines issued there under including any amendments thereto.

B. The following Event shall be considered Material subject to the Application of the Guidelines mentioned in Point 5

- i. Change in the general character or nature of Business brought about by arrangements for strategic, technical, or marketing tie-up, adoption of new lines of business or closure of operations of any branch;
- ii. Change in Retail Prime Lending rates;
- iii. 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;
- iv. Disruption of operations of any one or more branches of the Corporation due to natural calamity (earthquake, flood, fire etc.), force majeure or other events;
- v. Effect(s) arising out of change in the Regulatory framework applicable to the Corporation;

- vi. Litigation(s)/ Dispute(s)/ Regulatory action(s) with impact;
- vii. Fraud/Defaults etc. by Directors (other than KMPs) or employees of Corporation to the extent the Corporation is aware or made aware of;
- viii. Options to purchase Securities including any ESOP/ESPS Scheme;
- ix. Giving of guarantees or indemnity or becoming a surety for any third party other than in the normal course of Business; and
- x. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. Any other Information/Event Viz. major Development that is likely to affect Business

Example: 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 shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.

D. The Company shall make Disclosures of any Events or Information which, in the opinion of the Board of Directors, is Material

In case where an event occurs or information is available with the company, which has not been indicated in para A, B, C above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

5. Criteria for determination of materiality of Events / Information

The Company shall consider the following criteria for determination of materiality of Event / Information as stated in point 4 of para B.

- 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.

Without prejudice to the generality of (a), (b) and (c) above, the Company may make disclosures of event/information as specified by the Board from time to time.

- d) Any Event/ Information which directly or indirectly may materially affect the reputation of the Company; or

- e) Any event/ information, which if not disclosed promptly may lead to creation of false market in the Securities of the Company; or
- f) The impact of Event/ Information as a percentage of Company's annual turnover, fixed assets and total assets; or
- g) Whether the Event/ Information is in the ordinary course of business; or
- h) Whether the Event/ Information represents a significant shift in strategy and is an exit from, or entry into, a significant line of business; or
- i) Any other Event/ Information which is material in the opinion of Board of the Company.

6. Disclosure of Material Events / Information

The Company shall disclose to the Stock Exchanges of all events, specified in point 4 of para A of information as soon as reasonably possible and not later than 24 hours from the occurrence of the Event/Information. In the event the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures provide an explanation for such delay.

The disclosure with respect to events specified in point 4 of para A shall be made within thirty minutes of the conclusion of the Board Meeting.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the - Stock Exchanges with relevant explanations.

The Company shall also disclose all Events or Information with respect to subsidiaries which are material, if any, for the Company.

7. Authorization for disclosures

The Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel to determine materiality of an event/information and to make disclosures to stock exchanges. The contact details of the Company Secretary and KMP shall be disclosed to the Stock Exchange and also be placed on Company's website.

8. Disclosure on the website of the Company

All such events or information which has been disclosed to Stock Exchanges under the Listing Regulations shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five years. The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

9. Interpretation

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

10. Disclosure

The Company shall observe the following for proper and timely disclosure of any material Events/ Information as defined hereon:

- a) For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
- b) Disclosure of events specified which shall be deemed material in point 4 of para A within 30 days of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the Meeting.
- c) All other events mentioned in point 4 para B, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
- d) The details with regard to any fraud/ default by Directors or KMP or by the Company or arrest of any KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/ arrest.
- e) The Stock Exchange(s) shall also be intimated further details regarding the same including actual amount of fraud/ default, actual impact of such fraud/ default on the Company and its Financials and corrective measures taken thereon.
- f) Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/ closed.
- g) The Company shall also disclose all the events or information with respect to its subsidiaries which are material for the Company.

11. Amendments

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.