

**POLICY FOR DETERMINING MATERIALITY OF EVENTS
AND / INFORMATION**

SHARP INDIA LIMITED

**Registered Office : Gat No. 686 / 4, Koregaon Bhima,
Taluka Shirur, District Pune – 412 216.**

1. **Statutory Mandate**

In accordance with Regulation 30 (4) (ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), Sharp India Limited (the "Company") has framed a policy for determination of events or information which, in its opinion, are material.

The Board of Directors (the "Board") of the Company has, at its meeting held on 6th November 2015, adopted this Policy. This policy shall come into effect from 1st December 2015.

2. **Definitions**

In this Policy, unless the context otherwise requires or implies, the following terms shall have the meanings assigned against each of them.

"Acquisition" shall mean-

- a. acquiring control, 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 clause (i.) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.

"Agreement(s)" shall mean 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) or contract (s) with media companies) which are binding and not in normal course of business and any revision (s) or amendment (s) and termination (s) thereof.

"Key Managerial Personnel", in relation to the Company, shall mean the Chief Executive Officer or the Managing Director or the Manager; the Company Secretary; or the Whole-time Director; the Chief Financial Officer; and such other officer as may be prescribed under the Act. For the purpose of the Company, Key Managerial Personnel shall be such persons performing the duties of each of the Key Managerial Personnel, as defined above by whatever name called.

"Materiality" of an event or information shall mean such materiality as is disclosed in this Policy.

"Specified Securities" shall mean the equity shares of the Company listed on the Bombay Stock Exchange Limited.

"This Policy" shall mean the Policy on Determination of Materiality and Disclosure of Material Events or Information as disclosed herein.

3. **Material Events or Information**

The following events or information will be considered material for the purpose of this Policy:

CATEGORY A

- ❖ Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation or merger or demerger or restructuring), or sale or disposal of unit(s), division(s) or subsidiary of the Company or any other restructuring.
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- ❖ 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.
 - ❖ Shareholder agreement(s), Joint venture agreement(s), agreement (s) or treaty (ies) or contract (s) with media companies.]
 - ❖ Fraud or defaults by promoter or key managerial personnel or arrest of Key Managerial Personnel or promoter.
 - ❖ Reference to the Board of Industrial and Financial Reconstruction and winding-up petition filed by any party or creditors.
 - ❖ Revision in ratings.
 - ❖ Change in Directors, key managerial personnel, Auditor and Compliance Officer.(in case of resignation of auditors detailed reasons for resignation as given by the said auditor, shall be disclosed by the Company to stock exchange as soon as possible but not later than twenty four hours of the receipt of such reasons from the auditor.)
 - ❖ Resignation of Independent Directors including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - i) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
 - ii) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
 - ❖ Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
 - ❖ Appointment or discontinuation of share transfer agent.
 - ❖ Corporate debt restructuring
 - ❖ One time settlement with 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 the Company.
 - ❖ Proceedings of the Annual or Extraordinary General Meetings of the Company.
 - ❖ Amendments to Memorandum and Articles of Association.
 - ❖ Schedule of analyst or institutional investor meet and presentation on financial results made by the listed entity to analysts or institutional investors.
 - ❖ The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
 - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f) Appointment/ Replacement of the Resolution Professional;
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- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- m) Approval of resolution plan by the Tribunal or rejection, if applicable;
- k) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- l) Any other material information not involving commercial secrets.

CATEGORY B

- ❖ Declaration of Dividend and / or cash bonuses recommended or declared and other information pertaining to them.
- ❖ Cancellation of dividend with reasons thereof.
- ❖ Buyback of securities.
- ❖ Fund raising proposed to be undertaken.
- ❖ Increase in capital by issue of bonus shares.
- ❖ 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.
- ❖ Alterations of capital.
- ❖ Financial results.
- ❖ Voluntary delisting from the stock exchanges.

CATEGORY C

- ❖ Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit or 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 lines of business or closure of operations of any unit or division (entirety or piecemeal).
 - ❖ Capacity addition or product launch.
 - ❖ Awarding, bagging or receiving, amendment or termination of awarded or bagged orders or contracts not in the normal course of business.
 - ❖ 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.
 - ❖ 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.
 - ❖ Effects arising out of change in the regulatory framework applicable to the Company.
 - ❖ Litigation (s) or dispute (s) or regulatory action(s) with impact.
 - ❖ Options to purchase securities including Employee Stock Option Plan or Employee Stock Purchase Scheme.
 - ❖ Fraud/default etc by directors
 - ❖ 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.
 - ❖ Emergence of new technologies which may affect the Company,
 - ❖ Expiry of patents.
 - ❖ Change in accounting policy.
 - ❖ Any other information that may be deemed necessary, jointly and severally, by the Key Managerial Personnel of the Company who would consider that it is necessary for the holders of the securities of the Company to appraise its position and to avoid the establishment of a false market.
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- ❖ The Board of Directors may, in its discretion, also authorise the Key Managerial Personnel to disclose such events, information or material which, in its discretion, may be necessary for the purpose of making disclosures to the stock exchanges.
- ❖ 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 para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

4. **Criteria for disclosure of events or information**

Quantitative Criteria:

- 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, which is likely to result in significant market reaction if the said omission came to light at a later date;
- iii. In case where the criteria of an event or information does not fall in the first two categories, if in the opinion of the Board of Directors of the Company, such event or information is considered material.

Qualitative Criteria:

Whether the information is likely to cause prices of the Company's Specified securities to fluctuate such that persons who commonly invest in securities may be otherwise influenced in deciding whether to acquire or dispose of the Company's securities;

Whether the information pertains to a matter which may have a relative impact on the Company's net worth, as a result of the information;

Whether the information pertains to a matter which may cause the Company's turnover to move materially higher as a result of the information;

Whether the information pertains to a matter which may cause material assets of the Company to be deployed into an avenue other than the one where they are currently deployed.

5. **Authority for determination of Materiality of events / information**

Managing Director or Chief Executive Officer and in their absence Executive Director or Chief Financial Officer and in their absence the Company Secretary are authorised for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the stock exchanges.

6. **Website Updation or Updates to stock exchanges**

The Compliance Officer of the Company shall ensure that

- (a) all events or information determined material, in terms of this Policy, shall be disclosed on the website of the Company for a minimum period of 5 years and thereafter as per the archival policy of the Company, as disclosed on its website; and
- (b) disclosures updating material developments on a regular basis are disclosed on the website of the Company, till such time the event is resolved or closed, with relevant explanations.

7. Disclosure of events or information on Subsidiaries

The Company does not have any subsidiary.

8. Authorisation to Key Managerial Personnel to suo moto accept or deny reported event or information

Managing Director or Chief Executive Officer and in their absence Executive Director or Chief Financial Officer and in their absence the Company Secretary are authorised to suo moto confirm or deny any reported event or information to the stock exchanges, which has been unauthorisedly made public by media or by any other means including but not limited to electronic means.

The actions enlisted hereinabove may be taken recourse to by the Key Managerial Personnel abovenamed in a manner which best protects the interests of the Company. Such action taken by the Key Managerial Personnel abovenamed shall, however, be brought to the attention of the Board of Directors of the Company at its immediately subsequent meeting.

9. Compliance Officer

The Compliance Officer for the purpose of complying with the LODR shall be the Company Secretary of the Company.

10. Policy Review

The Board of Directors are authorised to review and amend this Policy and the individuals designated therein who are entrusted with the administration of this Policy.

11. Board's Approval

This Policy was approved by the Board of Directors at its meeting held on 6th November 2015 and new set of policy was adopted on 6th February 2019 to be in line with the amendments in Companies Act 2013 and SEBI (LODR)
