



Wendt (India) Limited

Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges

1. Preamble

The following Policy approved by the Board of Directors of the Company ("Board") provides an overall framework for disclosure of information or events of Wendt (India)Limited ("Company") pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"). This Policy is subject to the Board's review and changes, as may be appropriate, in conformity with the requirements of the Regulations, as amended from time to time.

This policy is effective from 25th January 2016 and shall be applicable for disclosures to be made by the Company effective this date.

2. Objective

The objective of this Policy is to facilitate timely and adequate disclosure of information or events which are deemed to be unpublished price sensitive and have a bearing on performance or operations of the Company. This policy is based on the principles governing the disclosures as stated in the Regulations and further lays down the guidelines for determining the materiality thresholds with respect to certain events or information of the Company as permitted under the Regulations.

3. Definitions

- a) "Board" or "Board of Directors" means the collective body of the Directors of the Company as constituted from time to time;
- b) "Company" shall mean Wendt (India) Limited;
- c) "Material Event/s" means those event/s specified in: (i) Para A of Part A of Schedule III of the Regulations, being deemed material events, which the Company shall compulsorily disclose and, (ii) events

specified in Para B of Part A of Schedule III,, based on guidelines for Materiality as specified in 4 herein;

- d) "Key Managerial Personnel" means the personnel as defined under Section 2(51) of the Companies Act, 2013, as amended from time to time;
- e) "Ordinary course of business" or "normal course of business" refers to all activities that are necessary, normal and incidental to the business of the Company and if the objects of the Company permit such activity shall be deemed to be in the ordinary of course of business. These may also be common practices, historical practices and customs of commercial transactions with a pattern of frequency.
- f) "Policy" means this Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges;
- g) "Subsidiaries" means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. Criteria for disclosure

The following criteria shall be considered while determining the materiality of events/information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. 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; or
- iii. in case where the criteria specified in sub-clauses (i) and (ii) above are not applicable, an event/information may be treated as being material if in the opinion of the Board of directors of Company, the event/information is considered material.

The Chief Executive Officer (CEO) is authorized to determine the materiality of an event or information. The Chief Financial Officer of the Company shall advise the CEO on the materiality of the event or information based on the guidelines set in the guidance manual approved by the Board. The quantitative factors which may be considered while determining the materiality of an event or information would be those impacting or likely to impact turnover or the networth or the profitability (profits before tax) of the

Company as may be appropriate for the event/information. The timing of disclosure and appropriate factors to be considered before making public dissemination shall be determined based on the last audited consolidated financial statements of the Company and as per the guidance laid down by the Board of Directors from time to time.

5. **Applicability:**

5.1. The following event/s are deemed to be Material Event/s and the Company shall make disclosure of such event/s without applying any materiality thresholds:

- acquisitions including agreement to acquire;

(acquisition means acquiring control either directly or indirectly OR acquiring or agreeing to acquire shares/voting rights in a company either directly or indirectly, such that the Company holds 5% or more of the shares or voting rights in the said company or if there is a change in existing holding from the last disclosure made and such change exceeds 2% of the total shareholding in the company)

- scheme of arrangement (amalgamation/ merger/ demerger/ restructuring);
- sale or disposal of any unit(s), division(s) or subsidiary;
- issuance/ forfeiture of securities, split or consolidation of shares, buyback of securities, restrictions on transferability or any alteration in the terms or structure of existing securities.
- revision in Ratings;
- outcome of Board meetings held to consider dividends/ cash bonuses, cancellation of dividends, decision on buyback of securities, fund raising proposals, alteration to capital structure including issuance of bonus, re-issue of forfeited securities or issue of securities held in reserve, financial results, voluntary delisting of securities etc.;
- execution of Agreements (*including termination or making amendments*) such as shareholder agreements, joint venture agreements, family settlement agreements to the extent they impact the management or control of the Company or agreements with media companies which are binding and not in the normal course of business
- fraud/defaults by Promoter/KMP or by the Company or arrest of KMP or promoter;
- change in directors, KMPs, Auditor and Compliance Officer;
- appointment or discontinuation of share transfer agent;
- corporate debt restructuring;
- one time settlement with Banks;
- reference to BIFR and winding up petition filed by any party or creditors;
- issuance of notices, call letters, resolution and circulars sent to shareholders, debenture holders, creditors or advertised in the media;
- proceedings of general meetings;
- amendments to MOA/AOA in brief;
- schedule of analyst or institutional investor meet and presentations on financial results made to them.

5.2. The following events will be deemed to be Material Event/s based on application of the materiality guidelines to be decided by the CEO:

- commencement or postponement in the date of commencement of commercial production or commercial operations of any unit/ division;
- change in general character or nature of business brought by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/ division;
- capacity addition or product launch;
- awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- agreements viz. loan agreements or any other agreements which are binding and not in the normal course of business including any revision or termination thereof;
- disruption of operations of one or more units or division of the Company due to natural calamity or force majeure conditions or events like strikes, lockouts etc.;
- effects arising out of change in regulatory framework applicable to the Company;
- litigations/ disputes/ regulatory actions with impact;
- fraud/defaults by directors or employees;
- options to purchase securities including ESOP/ESPS scheme;
- giving guarantees or indemnity or becoming surety for third party;
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

5.3. Any other major information or event likely to affect business which are exclusively known to the Company and which may be necessary to be disclosed to enable holders of securities to appraise its position and avoid establishment of false market in the securities also needs to be disclosed.

6. **Authorisation and co-ordination for Disclosure:** Pursuant to Reg.30(5) of the Regulations, the Chief Executive Officer(CEO) is authorized by the Board for the purpose of determining materiality of an event or information and the Company Secretary is authorized for making disclosures to the Stock Exchange(s) under this Policy.

Once the CEO in consultation with the CFO (in cases where materiality thresholds are applicable) decides to make a disclosure under this Policy, it will be forthwith informed to the Company Secretary for dissemination to stock exchanges within the stipulated timelines. In the absence of the Company Secretary, the dissemination can be made by the CEO or CFO.

The contact details of the KMPs will be disclosed to the stock exchanges as well as uploaded in the website of the Company.

7. **Time of Disclosure:** Disclosures shall be made as soon as possible but within 24 hours from the occurrence of the event/ information. However, in

cases where the disclosure cannot be made within the stipulated time limit of 24 hours, the Company can disseminate the same after 24 hours along with an explanation for the delay.

However, disclosures with respect to events stated in sub-para 4 of Para A of Part A of Schedule III of the Regulations (stated under outcome of Board meetings in cl.5.1 of this policy) the same shall be made within thirty minutes of the conclusion of the Board Meeting.

8. **Updation:** With respect to the disclosures made pursuant to this Policy, the Company shall also make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations therefor.
9. **Subsidiary information/ event:** The Company shall disclose all events or information with respect to its subsidiaries to the extent the event or information is Material for the Company. The materiality guidelines for this reporting would be the same as stated in 4 above.
10. **Disclosures other than listed events:** In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the Regulations, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.
11. **Manner of Disclosure:** Any information to be disseminated is required to be given in a separate letter to Stock Exchange(s) and sent vide e-mail or can be made through online submissions.

The Company shall also disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy and, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Company's Archival Policy, as disclosed on its website. The Company's Code for practices and procedures for fair disclosure of Unpublished price sensitive information will also be adhered to.

12. **Dissemination of the Policy:** A copy of the Policy shall be put up on the website of the Company.

* * *