

Subject: <b>Policy for Determination of Materiality</b>	Original Issue Date: <b>01.12.2015</b>	Version No.: 1.0
	Last revision date:28.05.2019	



**ARSS INFRASTRUCTURE PROJECTS LIMITED  
(‘ARSS IPL’)**

**POLICY FOR DETERMINATION OF MATERIALITY**

## **1. BACKGROUND**

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), requires ARSS infrastructure projects Limited (“**Company**”) to frame a policy for determination of materiality for disclosure of events or information (“**Policy**”) to BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”), based on the criteria specified in the SEBI Listing Regulations. The events/information that would be disclosed would be as presently prescribed by Securities and Exchange Board of India vide circular CIR/CFD/CMD/4/2015 dated September 9, 2015 and as would be amended from time to time.

## **2. SCOPE OF THE POLICY**

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “Disclosure of events or information to Stock Exchanges”. This Policy shall be read along with the Company’s Policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

## **3. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY**

The Chief Executive Officer or failing him/her the Chief Financial Officer or failing him/her the Company Secretary will be the authorized Key Managerial Personnel (“**KMP**”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges through the Chief Investor Relations Officer designated under the Company’s code of fair disclosure.

## **4. DISCLOSURES OF EVENTS OR INFORMATION TO STOCK EXCHANGES**

The events or information which will be necessary to be disclosed to the Stock Exchanges are divided into three categories as specified in Part A of Schedule III of the SEBI Listing Regulations:

- (a) Events whose disclosure is mandatory and which would need to be disclosed without any application of the test/guidelines for materiality.

The below events will be disclosed as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information except for events stated in item (d) below which shall be disclosed within thirty minutes of the conclusion of the board meeting. In case the disclosure is made after twenty-four hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.

- (i) 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 (if any) or any other restructuring.

Acquisition would 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 –

- (1) 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;
  - (2) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- (ii) 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.
- (iii) Revision in rating(s).
- (iv) Outcome of meetings of the board of directors: The Company shall disclose to the Stock Exchanges, within 30 minutes of the closure of the meeting, held to consider or decide 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 would 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; and
  - (I) decision on voluntary delisting by the Company from Stock Exchanges.
- (v) Agreements (viz. shareholder agreement(s), joint venture 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.
- (vi) Fraud/ defaults by promoter or key managerial personnel (managing directors, chief executive officer, chief financial officer, company secretary etc.) of the Company or by the Company or arrest of key managerial personnel or promoter.
- (vii) Change in directors, key managerial personnel, auditor and compliance officer.
- (viii) Detailed reasons for resignation of the auditor, as given by the said auditor, as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

- (ix) Following disclosures upon resignation of an independent director, within seven days from the date of resignation:
  - (A) Detailed reasons for the resignation of independent directors as given by the said director.
  - (B) Confirmation from the said independent director confirmation that there is no other material reasons other than those provided.
  - (C) The confirmation by said independent director should be submitted along with the detailed reasons, as mentioned in (A) above.
- (x) Appointment or discontinuation of share transfer agent.
- (xi) Corporate debt restructuring.
- (xii) One time settlement (“OTS”) with a bank.
- (xiii) Reference to Board for Industrial and Financial Reconstruction (“BIFR”) and winding-up petition filed by any party/creditors.
- (xiv) 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.
- (xv) Proceedings of annual and extraordinary general meetings of the Company.
- (xvi) Amendments to memorandum and articles of association of Company, in brief.
- (xvii) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- (xviii) Following events in relation to the corporate insolvency resolution process (“CIRP”) of the Company as corporate debtor under the Insolvency and Bankruptcy Code, 2016, (“IBC”) if applicable:
  - (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 the IBC.
  - (E) List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - (F) Appointment/ replacement of the resolution professional;

- (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 the IBC in the form specified under regulation 36A(5) of the Insolvency and Bankruptcy Board of India (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;
  - (K) Approval of resolution plan by the tribunal or rejection, if applicable;
  - (L) Salient features, not involving commercial secrets, of the resolution plan approved by the tribunal, in such form as may be specified;
  - (M) Any other material information not involving commercial secrets.
- (b) Events which may be disclosed to the Stock Exchanges based on the test of materiality

The events as mentioned below will be disclosed based on the application of the test of materiality and key principles for determination of materiality, as outlined hereunder:

- (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 a case where the criteria specified in (a) and (b) is not applicable, any event/information which in the opinion of the board of the Company, is considered material and needs disclosure.

The KMP authorised under this Policy will determine on the disclosure of events or information to the Stock Exchanges based on the application of the test of materiality as mentioned above. In addition to this, the KMP while determining the materiality will do so on a case-to-case basis depending on specific facts/circumstances relating to the information/event and apply such other qualitative/quantitative criteria if required and as may

Any other event/information that is likely to affect business

Such events may include but not be limited to the following:

- (iv) Change in accounting policy that may have a significant impact on the accounts of the Company.
- (v) Any other event which is in the nature of major development that is likely to affect business of the Company.
- (vi) Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to apprise its position and to avoid the establishment of a false market in such securities.

**5. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED**

The events/information shall be said to have occurred upon approval of board of the Company in certain events, for example further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. board of the Company and shareholders of the Company.

Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the board of the Company pending shareholder's approval.

Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event/information.

**6. DISCLOSURES ON WEBSITE**

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival process followed by the Company.

**7. AMENDMENTS TO THE POLICY**

The KMP authorized under this Policy will review the Policy from the perspective of the SEBI Listing Regulations and determine the events/information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. All such amendments will be informed to the board and the approval of the board will be sought to align the policy in line with the SEBI Listing Regulations.

<b>Authorized KMP for the purpose of determining materiality of events or information</b>	<b>Email id</b>
Mr. Rajesh Agarwal - Managing Director	rajesh@arssgroup.in
Mr. S. K. Pattnaik – CFO	skp@arss.in
Mr. Prakash Chhajer – CS	cs@arssgroup.in

\*\*\*\*\*