

YUKEN INDIA LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

OBJECTIVE:

This Policy aims at guiding the Company's Management in determining materiality of events or information, which could have an effect on investment decisions and to ensure timely dissemination of such information to the Stock Exchange(s), in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DEFINITIONS:

"Act" means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.

"Board" means Board of Directors of the Company.

"Company" means Yuken India Limited.

"Key Managerial Personnel" means Key Managerial Personnel as defined under section 2(51) of the Companies Act, 2013.

"Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Policy" means this Policy, as amended from time to time.

"Stock Exchange(s)" means BSE Limited and Ahmedabad Stock Exchange Limited, where the equity shares of the Company are listed.

POLICY:

Information relating to material events (Material Information) and which is price sensitive in nature shall be disclosed to the Stock Exchange(s). For this purpose, material information means any information related to the Company's business, operations or performance which has a significant effect on securities investment decisions and if published would likely to cause fluctuations in the Company's share price.

Material Information shall be disclosed to the Stock Exchange upon their occurrence, based on the following criteria:

1. The Company shall disclose all such events/information specified in Annexure-1 (events specified in Para A of Part A of Schedule III of Listing Regulations), without applying any test of materiality, within specified time line.
2. The Company shall disclose information/events as specified in Annexure-2 (events specified in Para B of Part A of Schedule III of Listing Regulations), upon application of the guidelines for materiality.

3. 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.
4. Without prejudice to the generality of above referred information, the Company may make disclosures of event/information as specified by the Board from time to time.
5. Materiality of any event / information can be determined on case to case basis, depending on the facts pertaining to the event / information. Following criteria will be applicable for determination of materiality:
 - (a) The omission of an event or information which is likely to:
 - i. result in a discontinuity or alteration of an event / information already available publicly; or
 - ii. result in significant market reaction if the said omission came to light at a later date.
 - (b) In the opinion of the Board, the event/information ought to be disclosed.
6. All the Material Information should be disclosed to the Stock Exchange(s) within 24 hours of occurrence of event. However, disclosure of events specified in sub-para 4 of Para A of Part A of Schedule III of Listing Regulations should be made within 30 minutes of conclusion of the Board Meeting.
7. The Company shall, with respect to the Material Information, make disclosures updating material developments on regular basis, till such time the event is resolved/closed, with relevant explanations.

AUTHORIZED PERSONS FOR DETERMINING MATERIALITY OF INFORMATION/EVENTS AND FOR DISCLOSURES TO STOCK EXCHANGE(S):

The following Key Managerial Personnel have been authorized by Board of Directors of the Company for the purpose of determining materiality of information/events and for disclosure of such information/events to Stock Exchange(s) from time to time:

- a. Managing Director
- b. Chief Financial Officer
- c. Company Secretary

SCOPE AND LIMITATION:

In the event of any conflict between the provisions of the Act/Listing Regulations and clauses of this Policy, provisions of the Act/Listing Regulations or relevant statutory enactments shall prevail over this Policy and part(s) so repugnant shall be deemed to be severed from the Policy.

AMENDMENTS:

The Board may, subject to the applicable laws, may amend any of the provisions of this Policy or replace the entire Policy with a new Policy.

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

1. 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 listed entity or any other restructuring.

Explanation- For the purpose of this sub-para, the word 'acquisition' shall mean,-

(i) acquiring control, whether directly or indirectly; or,
(ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -

(a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;

(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. 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.

3. Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider 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 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 listed entity from stock exchange(s).

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), 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.

6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. 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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. 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).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. 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.
6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.