

# **Policy for determination of materiality of events**

## 1. Introduction

The Board of Directors (the “Board”) of Texmo Pipes And Products Limited (the “Company”) has adopted the following policy and procedures with regard to determination of materiality of event as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective 1 December 2015. This Policy is in terms of Clause 30 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

## 2. Policy Objective

To determine the strategy pertaining to materiality of events of Texmo Pipes And Products Limited and to provide the governance framework for disclosure of the same.

## 3. Definitions

“**Board of Director**” or “**Board**” means the Board of Directors of Texmo Pipes And Products Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**Listing Regulation**” means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

“**Policy**” means Policy on determination of materiality of events.

“**Stock Exchange**” means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.

## 4. Criteria for determination of materiality of events / information

The Company shall consider the following criteria for determination of materiality of events / information:

- (1) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

- (2) 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;
- (3) In case where the criteria specified in sub-clause (1) and (2) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors of the Company, the event / information is considered material.

#### **5. Authority for determining materiality of an event or information**

Pursuant to sub-regulation (5) of Regulation 30 Key Managerial Personnel of the Company i.e. Whole Time Director, Chief Financial Officer and Company Secretary of the Company will be authorized persons for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) and their contact details shall be disclosed to the stock exchange(s) and as well as on the website of the Company.

#### **6. Disclosure of all material events / information to Stock Exchange(s)**

The Company shall disclose to Stock Exchange(s) where the securities of the Company are listed i.e. Bombay Stock Exchange Limited and National Stock Exchange India Limited, all material events or information as mentioned in para A and para B of Part A of Schedule III of Listing Regulations (as mentioned in Annexure I) along with other events those considered material, as soon as reasonably possible but not later than twenty four hours from the occurrence of the event or information. In case the disclosure is made after twenty four hours of occurrence of the event or information, said disclosure shall be accompanied with explanation of delay. However disclosures of events specified in sub-para 4 of para A of Part A of Schedule III of SEBI ( Listing Obligation and Disclosure Requirements) Regulation 2015 shall be made within thirty minutes of the conclusion of the respective Board Meeting. The Company shall also disclose all events or information with respect to its Material Subsidiaries as well.

#### **7. Disclosure of all material events / information on website of the Company.**

The Company shall display on its website all such events or information which has been disclosed to stock exchange(s) under Listing Regulation and such disclosures shall remain on the website of the Company for a minimum period of five years.

8. The Board of Directors of the Company shall make updation and amendments in the policy as may be required from time to time.

The material events or informations are to be disclosed to the Stock Exchanges, as per the provisions of laws in force. The policy shall be uploaded on the website of the Company at [www.texmopipe.com](http://www.texmopipe.com) .

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## **Annexure –I**

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

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.
- C. 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.
- D. 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.

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