

**POLICY FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION FOR DISCLOSURE
TO STOCK EXCHANGE, 2016**

**(Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements)
Regulations, 2015)**

1. PREFACE

In terms of Regulation 30 of SEBI (LODR), 2015 (as defined herein below), every listed entity shall make disclosures of events or information to Stock Exchange which in the opinion of the Board of Directors of the listed entity are material.

The listed entity is required to frame a policy for determination of materiality of events/information under 30(4)(ii) of the SEBI (LODR), 2015 for the purpose of adequate, accurate, explicit and timely disclosures of the same to the Stock Exchanges.

Accordingly, the Board of Directors of the Company, i.e. **Haryana Leather Chemicals Limited** (HLCL) has approved and adopted the following Policy for Determination of Materiality of Events/Information to be disclosed to the Stock Exchange from time to time.

2. EFFECTIVE DATE

The Policy shall be effective from the date of approval by the Board.

3. OBJECTIVE OF THE POLICY

HLCL, being a listed entity is obligated to comply with the disclosure requirements under the Regulation 30 of the SEBI (LODR), 2015 and its primary objective is to determine the events or information which in the opinion of the Board of Directors is material and need to be disclosed to the Stock Exchanges in the time frame provided therein which in fact will provide guidance to investors also.



4. DEFINITIONS

"**Audit Committee**" means the Audit Committee as constituted from time to time by the Board of Directors of the Company.

"**Board of Directors**" means the Board of Directors of the company as constituted from time to time.

"**Company**" means Haryana Leather Chemicals Limited.

"**Key Managerial Personnel**" (**KMP**) means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

"**Policy**" shall mean this Policy for determining materiality of events/information for disclosure to Stock Exchanges and as amended from time to time.

"**SEBI (LODR), 2015**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

"**Stock Exchange**" means BSE Limited where the equity shares of the Company are listed.

5. CRITERIA FOR DETERMINING MATERIALITY FOR DISCLOSURE OF EVENTS/INFORMATION

The following criteria shall be followed for determination of Materiality of events/information listed duly approved by its Board of Directors:

- (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) 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;
- (c) In case where the criteria specified in sub-clauses (a) and (b) above are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company/Competent Authority; the event/information is considered material.

6. CATEGORIES FOR EVENTS/INFORMATION

Category-A

In terms of Regulation 30 (2) sub-Para 4 of Para A of Part A of Schedule –III) of SEBI (LODR), 2015, the following events/information shall be disclosed **within 30 minutes** of the conclusion of the Meeting of the Board of directors where the relevant event/information is considered by the Board:



- 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.

Category-B

In terms of Regulation 30 (2) (Para A of Part A of Schedule –III) of SEBI-LODR, the following events/information shall be disclosed **not later than 24 hours** of the occurrence of the event without any application of the guidelines for materiality specified herein in accordance with sub-regulation (4) (i) of the Regulation30:

(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 or any other restructuring.

For the purpose of the above sub-Para, the word "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-

- 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
- There has been a change in holding from the last disclosure made under sub-clause (I) above 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) Agreements (viz 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)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- (v) Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.
- (vi) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.
- (vii) Appointment or discontinuation of share transfer agent.
- (viii) Corporate debt restructuring.
- (ix) One time settlement with a bank.
- (x) Reference to BIFR and winding – up petition filed by any party /creditors.
- (xi) 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.
- (xii) Proceedings of Annual and extraordinary general meetings of the Company.
- (xiii) Amendments to memorandum and articles of association of the Company.
- (xiv) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

Category-C

In terms of Regulation 30(3) (Para B of Part A of Schedule –III) of SEBI-LODR, the following events/information shall be disclosed **upon application of the guidelines for materiality referred Sub-Regulation (4) of Regulation (30):**

- (i) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- (ii) 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).
- (iii) Capacity addition or product launch.
- (iv) Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contract not in the normal course of business.



(v) 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.

(vi) 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, lock outs, etc.

(vii) Effect(s) arising out of change in the regulatory frame work applicable to the Company.

(viii) Litigation(s) /dispute(s)/regulatory action(s) with impact.

(ix) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.

(x) Options to purchase securities including any ESOP/ESPS Scheme.

(xi) Giving of guarantees or indemnity or becoming a surety for any third party.

(xii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Category-D

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.

Category-E:

The Board of Directors/Competent Authority shall without prejudice to the generality of provisions specified above, may make disclosures of event/information as specified by the Board from time to time

7. PROCEDURE FOR DISCLOSURE

Any event/information specified above, which is brought to the notice of the Board of Directors /Competent Authority and they opine that the same is required to be disclosed to the Stock Exchange, shall be disclosed in terms of this Policy.

8. COMPETENT AUTHORITY

The Managing Director and Chief Financial Officer are designated as Competent Authority by the Board of directors, who are authorized jointly/severally on behalf of the Company to determine whether the event /information are material or not for disclosure to the Stock Exchange in accordance with this policy.



9. COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer for the purpose of complying with the provisions of the SEBI (LODR), 2015 and shall ensure overall compliance of this Policy, including making disclosure to the Stock Exchange of event/information as approved by the Board of Directors/Competent Authority.

10. DELAY IN DISCLOSURES/UPDATION/REPLIES TO THE STOCK EXCHANGE

(a) In case any disclosure of any event or information required to be made in accordance with this policy is made to the Stock Exchange after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

(b) Any event/information which has been disclosed to the Stock Exchange in accordance with this Policy shall be updated regularly on the basis of any material development till the event is resolved / closed with relevant explanations.

(c) The Company shall provide specific and adequate reply to all queries raised by Stock Exchange with respect to any events or information.

11. UPDATION OF COMPANY'S WEBSITE AND DISCLOSURES TO STOCK EXCHANGE

The Company shall update all disclosures of events made under the Policy to the Stock Exchange on its website and such disclosures shall be continued to be hosted on the website of the Company.

12. DISCLOSURE OF EVENTS/INFORMATION ON SUBSIDIARIES

The Company shall disclose such events/information about the subsidiary companies which are considered material in nature for the Company by the Board / Competent Authority.

13. AMENDMENT

The Managing Director of the Company is authorized to amend or modify this Policy on the recommendations of the Audit Committee within the applicable provisions of any law for the time being in force.

14. SCOPE AND LIMITATION

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

