

KRBL LIMITED

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POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENT OR INFORMATION OF KRBL LIMITED

[Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. BACKGROUND

The Securities and Exchange Board of India (SEBI) with the objective of bringing the basic framework governing the regime of Listed Entities in line with the Companies Act, 2013 and at the same time compiling all the mandates of varied SEBI Regulations/Circulars governing Equity as well as Debt segments of capital market under the ambit of a single document, has made applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "LODR" or "Listing Regulations") w.e.f December 01, 2015.

Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed entity to formulate a policy for determination of materiality of an event or information for the purpose of making disclosures to the stock exchanges and such policy is required to be disclosed on the Company's website.

2. OBJECTIVE

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

This policy of KRBL Limited shall be known as '**Policy for Determination of Materiality for Disclosure of Event or Information of KRBL Limited**'.

The purpose of this Policy for determination of materiality for disclosure of event or information ("Policy") is to fix criteria for determination of materiality of events or information in relation to KRBL Limited ("Company") to ensure timely and adequate disclosure of material events/information to the stock exchanges.

This Policy shall be read together with Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information of KRBL Limited as formulated under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

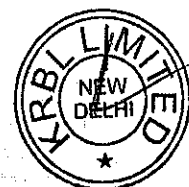
3. DEFINITIONS

"Act" shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

"Board of Directors" or "Board" shall mean the Board of Directors of KRBL Limited, as constituted from time to time.

"Company" means KRBL Limited.

"Compliance Officer" shall mean the Company Secretary of the Company who is responsible to perform duties as required under section 205 of the Companies Act 2013 and Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.



"Event(s)" shall mean events as specified in Para A and Para B of Part A of Schedule III of the Regulations and as amended from time to time, and those events which the Board of Directors or the duly authorised KMP deem it to be material.

"Information or Price Sensitive Information" shall mean any information which relates directly or indirectly to the Company and/or any of its subsidiaries in India or outside, and which if published is likely to materially affect the price of shares of the Company.

"Key Managerial Personnel" shall mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

"Listing Agreement" shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015.

"Material Event" or **"Material Information"** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 5 of the Policy. In order to determine whether a particular event/information is material in nature, the Company may consider the 'quantitative' or 'qualitative' criteria(s). In the Policy, the words, "material" and "materiality" shall be construed accordingly.

"Policy" shall mean this Policy on criteria for Determining Materiality of Events or Information and as may be amended from time to time.

"Regulations" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

"Schedule" shall mean Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. INTERPRETATION

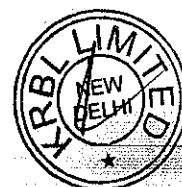
In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard shall take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

5. DISCLOSURE OF EVENTS OR INFORMATION

- a. Events specified in **Annexure A** are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner to:
- i. the stock exchanges in which the securities of the Company are listed;
 - ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay:

Provided further that disclosure with respect to events as specified in point no. 4 of Annexure-A shall be made within thirty minutes of the conclusion of the board meeting.



- b. The Company shall make disclosure of events as specified in **Annexure B** based on application of guidelines/criteria for determining Materiality as per Clause 6 of the Policy.
- c. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- d. The Company shall disclose all events or information with respect to its Material Subsidiaries, if any.
- e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- f. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy on Preservation of Documents and Archival.

6. GUIDELINES/CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION THEREOF AND PROCEDURE FOR DISCLOSURE

The company shall consider the following criteria for determination of materiality of an event or information:

- a. The omission of disclosure of an event or information shall lead to discontinuity or alteration of event or information already available publicly.
- b. The omission of disclosure 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) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors of the listed entity, the event / information is considered material.

7. AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Board of directors of the company has authorised jointly and/or severally the Key Managerial Persons of the Company for the purpose of determining materiality of an event or information of the company and for the purpose of making disclosures to Stock Exchange for the same under this regulation. Contact details of Key Managerial Personnels have been disclosed to the stock exchange and also disseminated on the company's website.

8. EFFECTIVE DATE

The Policy as approved by the Board of Directors shall be effective from December 1, 2015.

9. REVIEW AND AMENDMENT

- i. The Board may review the Policy as and when it deems necessary. The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company.



- ii. This Policy may be amended or substituted by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.
- iii. This policy as amended from time to time shall be made available on the website of the Company.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 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.

11. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company.



ANNEXURE A

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY

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 Company or any other restructuring;

Explanation: '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 Company 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 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, buy-back 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 credit rating(s).
4. Outcome of Meetings of the Board of Directors: The Company 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;
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- i) decision on voluntary delisting by the Company 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 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.
6. Fraud/defaults by Promoter or Key Managerial Personnel or by Company 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 Company.
13. Proceedings of Company Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analyst or institutional investors.



ILLUSTRATIVE LIST OF EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY

- 1.** Commencement or commencement of any postponement in commercial production the date of 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 Company 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 Company.
- 8.** Litigation(s) / dispute(s) / regulatory action(s) with impact.
- 9.** Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
- 10.** Options to purchase securities including any ESOP/ESPS Scheme if any.
- 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.
- 13.** Any other information/event viz. major development that is likely to affect business, eg. 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 apprise its position and to avoid the establishment of a false market in such securities.

