

ANDREW YULE & COMPANY LIMITED

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENT OR INFORMATION

OBJECTIVE

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall frame a policy for determination of materiality, based on criteria specified in clause (i) of sub-regulation (4) of Regulation 30, duly approved by its Board of Directors, which shall be disclosed on its website.

The objective of this Policy is to determine materiality of event or information of Andrew Yule & Company Limited in accordance with the provisions of these Regulations and to ensure that timely, adequate and accurate disclosure of information is made to enable investors to make well-informed investment decisions.

I. EFFECTIVE DATE

This Policy is effective from 9th February, 2017.

II. DEFINITIONS

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

"Board" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Board of Directors" means the Board of Directors of the Company.

"Key Managerial Personnel" means Key Managerial Personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013 means -

- i. The Chief Executive Officer or the Managing Director or the Manager;
- ii. The Company Secretary;
- iii. The Whole-time Director;
- iv. The Chief Financial Officer; and
- v. Such other officer as may be prescribed.

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

"Material Event" or "Material Information" shall mean such event or information as specified under Regulation 30 of the Regulations read with Schedule III Part A including any modifications, clarifications, circulars or re-enactment thereof.

"Material Subsidiary" shall mean any subsidiary of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

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

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

"The Company" means Andrew Yule & Company Limited.

III. EVENTS DEEMED TO BE MATERIAL

Events specified in Para-A of Part - A of Schedule III of the Listing Regulations as annexed as **Category A** are deemed to be material events pursuant to sub-regulation (2) of Regulation 30 of the Listing Regulations and the Company shall make disclosure of such events or information to the Stock Exchange(s).

IV. CRITERIA FOR DETERMINING MATERIALITY OF EVENT / INFORMATION

The Company shall make disclosure of events specified in Para-B of Part - A of Schedule III of the Listing Regulations as annexed as **Category B** based on application of guidelines for determining materiality of event/ information as per the following criteria:

- 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) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event/information is considered material.

V. CRITERIA FOR DETERMINING MATERIALITY OF EVENT/INFORMATION WITH RESPECT TO TRANSACTIONS

The following criteria shall be adopted in the case of the Company, its Subsidiaries and Associate Companies with respect to transactions for reporting to the Stock Exchange(s):

- Transaction exceeding 5% of the turnover or 10% of the net-worth of the Company for the preceding financial year.
- Transaction valued at Rs. 250 crores each and above for Subsidiary Companies/JVs/ Associate Companies.

VI. AUTHORITY FOR DETERMINING MATERIALITY AND FOR MAKING DISCLOSURE OF EVENT/INFORMATION

The Chairman & Managing Director, concerned Functional Directors and the Company Secretary shall have the authority to determine materiality of any event as specified in the Policy.

The Company Secretary and Compliance Officer is authorized to make disclosure of events / information to the Stock Exchange(s) based on necessary authorization / approval as stated above.

VII. AMENDMENTS

The Policy may be amended by the Chairman & Managing Director, Andrew Yule & Company Limited based upon statutory modification in SEBI Regulations or any other applicable laws / regulations and the Board of Directors may be kept informed of such amendments from time to time.

VIII. DISCLOSURE OF THE POLICY

This Policy shall be uploaded on the website of the Company: www.andrewyule.com.

Categories for Events/ Information

Category - A

I. In terms of Regulation 30(2) (Para-A of Part A of Schedule-III) of the Listing Regulations, 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 as specified herein, in accordance with sub-regulation (4)(i) of the Regulation 30:

Sl. No.	Particular of material events / Information	Disclosure time frame
1.	<p>(a) Acquisition(s) including agreement to acquire</p> <p>(b) Scheme of Arrangement i.e</p> <ul style="list-style-type: none"> • amalgamation • Merger • Demerger • restructuring <p>(c) sale or disposal of any</p> <ul style="list-style-type: none"> • unit(s), • division(s) or • subsidiary of the listed entity or • any other restructuring. <p>Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean -</p> <ol style="list-style-type: none"> 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 - <ol style="list-style-type: none"> 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. 	<p>Within 24 hours from occurrence of events or information.</p> <p>However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.</p>
2.	<p>(a) Issuance or forfeiture of securities,</p> <p>(b) split or consolidation of shares,</p>	<p>Within 24 hours from occurrence of events or information.</p>

	<p>(c) buyback of securities,</p> <p>(d) any restriction on transferability of securities or</p> <p>(e) alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.</p>	<p>However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.</p>
3.	<p>Revision in Rating(s). The listed entity shall notify the stock exchange(s), the details of any</p> <ul style="list-style-type: none"> • new rating or, • revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or • to any fixed deposit programme or • to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad. <p>In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.</p>	<p>Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.</p>
4.	<p>(a) Agreements [viz. shareholder agreement(s),</p> <p>(b) joint venture agreement(s),</p> <p>(c) 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.</p>	<p>Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.</p>
5.	<p>Fraud/defaults by</p> <ul style="list-style-type: none"> • promoter or • key managerial personnel or • by listed entity or • arrest of key managerial personnel or promoter. 	<p>Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.</p>
6.	<p>Change in</p> <ul style="list-style-type: none"> • directors, • key managerial personnel (Managing Director, Chief Executive Officer, Chief 	<p>Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure</p>

	<p>Financial Officer, Company Secretary etc.),</p> <ul style="list-style-type: none"> • Auditor and • Compliance Officer. 	provides explanation of such delay.
7.	Appointment or discontinuation of share transfer agent.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
8.	Corporate debt restructuring.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
9.	One time settlement with a bank.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
10.	Reference to BIFR and winding-up petition filed by any party/creditors.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
11.	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.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
12.	Proceedings of Annual and extraordinary general meetings of the listed entity.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
13.	Amendments to memorandum and articles of association of listed entity, in brief.	Within 24 hours from occurrence of events or information. However, if disclosure is made

		after 24 hours then disclosure provides explanation of such delay.
14.	Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.

II. In terms of Regulation 30(2) (Sub-Para 4 of Para A of Part A of Schedule-III) of the Listing Regulations, the following events/information shall be disclosed without any application of the guidelines for materiality as specified herein, in accordance with sub-regulation (4)(i) of the Regulation 30, within 30 minutes of the conclusion of the Meeting of the Board of Directors where the relevant event/information is considered by the Board:

- (i) 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;
- (ii) any cancellation of dividend with reasons thereof;
- (iii) the decision on buyback of securities;
- (iv) the decision with respect to fund raising proposed to be undertaken
- (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- (vi) 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;
- (vii) short particulars of any other alterations of capital, including calls;
- (viii) financial results;
- (ix) decision on voluntary delisting by the Company from stock exchange(s).

Category - B

In terms of Regulation 30(3) (Para B of Part A of Schedule-III) of the Listing Regulations, the following events/information shall be disclosed not later than 24 hours of the occurrence of the event subject to the application of the guidelines for materiality as specified herein, in accordance with sub-regulation (4)(i) of the Regulation 30:

S. No	Event / Information	Disclosure time frame
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.

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 (entirely or piecemeal).	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
3	Capacity addition or product launch.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
4	Awarding, Bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
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.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
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.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
8	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
9	Fraud/default etc. by directors (other than key managerial personnel) or employees of listed entity.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
10	Options to purchase securities including any	Within 24 hours from occurrence of

	ESOP/ESPS Scheme.	events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
11	Giving of guarantees or indemnity or becoming a surety for any third party.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.
13.	Disclosure of events or information with respect to subsidiaries which are material for the Company.	Within 24 hours from occurrence of events or information. However, if disclosure is made after 24 hours then disclosure provides explanation of such delay.

Category - C

In terms of Para-C of Part A of Schedule-III of the Listing Regulations, any other information/event viz. major development that is likely to affect business e.g. emergence of new technologies; expiry of patents; and 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, shall be disclosed not later than 24 hours of the occurrence of the event.

Further in terms of Regulation 30(12) of the Listing Regulations in case where an event occurs or any information is available with the Company, which has not been indicated above in Category A or Category B but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.

Category - D

The Board of Directors/Competent Authority shall without prejudice to the generality of provisions specified above, may disclose any other event/information within the prescribed time as required by the SEBI.