

# **UMIYA TUBES LIMITED**

(CIN: U28112GJ2013PTC074916)

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

(Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

## **BACKGROUND:**

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations), a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's website.

## **EFFECTIVE DATE:**

This Policy is effective 1<sup>st</sup> January, 2016.

## **CONCEPT OF MATERIALITY:**

Information is material if its misstatement, i.e. omission or erroneous statement, could influence the economic decisions taken by the user, based on such financial statements. Accordingly, financial statements should disclose all material items, i.e., knowledge of which might influence the decision of the user of financial statements.

## **CRITERIA FOR DETERMINATION OF MATERIALITY:**

Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the Company may consider the 'quantitative' or 'qualitative criteria(s)' mentioned below:

- A.** Quantitative criteria to determine materiality shall become applicable to an event / information:
- where the value involved or the impact exceeds 20% of the gross turnover or revenue or total income; or exceeds 20% of the net worth (lower threshold shall be taken as a trigger);
  - the above threshold shall be determined on the basis of audited financial statements of last audited financial year.
- B.** Qualitative criteria to determine materiality shall become applicable to an event / information:
- the omission of which is likely to :
    - result in a discontinuity of information already available publicly; or
    - result in significant market reaction if the said omission came to light at a later date;
  - if in the opinion of the Board of Directors of listed entity, the event / information is considered material
- C.** In circumstances where 'quantitative' test may not be applicable, 'qualitative, test may be applied to determine materiality.



- D. If a particular information or event in question satisfies any of the 'qualitative' or 'quantitative' criteria, the listed entity shall be under an obligation to disclose the same to the stock exchanges.

### **DISCLOSURE OF EVENTS OR INFORMATION:**

Every listed entity have to make disclosures of any events or information which in the opinion of the board of directors of the listed entity is material.

- A. The Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

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

Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III of SEBI (LODR) Regulation, 2015 shall be made within thirty minutes of the conclusion of the board meeting.

- B. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of SEBI (LODR) Regulation, 2015 but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.
- 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 provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under SEBI (LODR) Regulation, 2015 and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

### **AUTHORITY TO KEY MANAGERIAL PERSONNEL:**

- The Chairperson and Managing Director of the Company singly or Whole Time Director, CFO/Compliance Officer and Company Secretary severally/jointly is/are authorised persons for the purpose of determining materiality of an event or information.
- The Chairperson and Managing Director, CFO/Compliance Officer and Company Secretary are severally authorised for making disclosures of such material event or information to the stock exchanges.



- The Chairperson is authorised to make appropriate changes to the above policy as he may deem expedient taking into account the law for the time being in force.

## **AMENDMENTS:**

This Policy is subject to review from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## **INDICATIVE LIST OF INFORMATION WHICH MAY BE DISCLOSED IN CASE OF OCCURRENCE OF EVENT/INFORMATION WHICH ARE MATERIAL AND/OR PRICE SENSITIVE:**

- Issuance or forfeiture of securities, or change in terms/ structure of existing securities or buy back of securities,
- Outcome of meetings of the board of directors
- Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer ), Company Secretary Auditor, Compliance Officer,
- Corporate debt restructuring
- One time settlement
- Amendments to memorandum and articles of association of listed entity, in brief.
- Any other major development that is like to affect business, e.g. emergence of new technologies, expiry of patents etc and brief details thereof.

## **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;

**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.

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.

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.

