

USHA MARTIN LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

1. BACKGROUND & OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

2. DEFINITION

- a) Key Managerial Personnel mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013, as amended ;
- b) Material Event or Information shall mean such event or information as set out in Annexure A or in Annexure B and determined to be material in terms of Clause 3 of this Policy.

3. GUIDELINES FOR DETERMINING MATERIALITY

Any information shall be considered as Material if it meets any of 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 ;
- 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) any other event or information shall be treated as being material if in the opinion of the Board of Directors and/ or Key Managerial Personnel as authorized in this Policy, such event or information is considered to be material.

4. DISCLOSURES OF EVENTS OR INFORMATION

- a) Events specified in Annexure A are deemed to be material events.
 - b) The Company shall make disclosure of such events or information as mentioned in Clause 4 of the Annexure A within thirty (30) minute from the conclusion of the Board Meeting in the following manner :
 - i) inform the stock exchanges in which the securities of the Company are listed ;
 - ii) upload on the corporate website of the Company.
 - iii) publish in the newspapers, wherever required.
 - c) The Company shall make disclosure of events or information mentioned in Annexure A (except the items as mentioned in Clause 4 of Annexure A) as soon as reasonably possible but not later than twenty-four (24) hours from the occurrence of such event or information in the following manner :
 - i) inform the stock exchanges in which the securities of the Company are listed;
 - ii) upload on the corporate website of the Company.
 - iii) Publish in the newspapers, wherever required.
- Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.
- d) The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining Materiality as per Clause 3 as mentioned above of this Policy as soon as reasonably possible but not later than twenty-four (24) hours from the occurrence of such event or information in the following manner :
 - i) inform the stock exchanges in which the securities of the Company are listed ;
 - ii) upload on the corporate website of the Company.
 - iii) Publish in the newspapers, wherever required

- e) The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- f) The Company shall disclose all events or information with respect to

its subsidiaries which are material to the Company.

- g) 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.
- h) 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 & Archival of Documents / Records.

5. AUTHORITY TO KEY MANAGERIAL PERSONNEL

Based upon the determination of Materiality by any two of Managing Director, Joint Managing Director, Chief Financial Officer and Company Secretary, the Materiality of any event or information shall be disclosed to Stock Exchange by any of the aforementioned Key Managerial Personnel, subject to the provisions of this Policy. However, all such disclosures need to be reported to the Board for their reference and record. The contact details of such persons shall be disclosed to stock exchanges and also shall be uploaded on the website of the Company from time to time.

6. AMENDMENTS

This Policy may be reviewed by Board of Directors and necessary amendments shall be made, to comply with any requirements under any statute or regulation, from time to time.

The Company shall also make disclosure of events / information as may be specified by the Securities and Exchange Board of India from time to time.

This Policy has been revised by the Board of Directors of the Company at their meeting held on 5th February, 2019 and has come into effect from the said date.

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,

- 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
 - i) 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;
 - ii) 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, 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 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;
 - 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 ;
- 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
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 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 analysts or institutional investors.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency and Bankruptcy Code, 2016:
 - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - f) Appointment/ Replacement of the Resolution Professional;
 - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
 - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i) Number of resolution plans received by Resolution Professional;
 - j) Filing of resolution plan with the Tribunal;
 - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
 - l) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
 - m) Any other material information not involving commercial secrets."

Annexure B

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

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 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;
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,

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 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.