

# **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION FOR DISCLOSURE TO THE STOCK EXCHANGES**

## **INTRODUCTION**

The Board of Directors (the "Board") of PAN Electronics (India) Limited (the "Company") has adopted the following Policy for Determination of Materiality of Events and Information for Disclosure to the Stock Exchange (the "Policy") at its meeting held on February 14, 2016.

Any term used but not defined in this policy shall have the same meaning as assigned to it in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 or any other applicable law or regulation to the extent applicable to the Company

## **OBJECTIVE**

This Policy is framed in accordance with the requirements of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations").

The objective of the Policy is to provide an overall governance framework for determination of materiality of events and information, of which the Company shall make disclosure to stock exchange(s) pursuant to aforementioned Regulation 30.

## **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

Materiality shall be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria, as laid down by Regulation 30(4) of the Regulations, shall be considered for determination of materiality of event or information:

- (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.

Events or information specified in Annexure A are deemed to be material events and are to be disclosed without any application of the guidelines for determining materiality

Events or information specified in Annexure B are to be disclosed based on application of the guidelines for determining materiality.

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

The \*Disclosure Committee of the Company shall have the authority, to determine the materiality of an event or information in terms of this Policy.

The Company Secretary, the Managing Director and the Chief Financial Officer of the Company, shall have the authority, severally, to disclose such material event or information to the stock exchanges.

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

A. The events or information, as specified in *Clause-1* of Annexure A, shall be disclosed to the stock exchange(s) 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 (24) hours of occurrence of the event or information, an explanation for delay shall be provided, along with such disclosures.

The Authorised Persons shall ascertain and assess the actual time of occurrence of an event or information.

B. The events or information, as specified in Clause-II of Annexure A, shall be disclosed to the exchange(s) within thirty (30) minutes of the conclusion of the Board Meeting.

C. Any material developments, with respect to disclosures referred to in this Policy shall be disclosed to the stock exchange(s) on a regular basis, till such time the event is resolved/closed, with relevant explanations.

D. All the disclosures made to the stock exchange(s) pursuant to this Policy, shall be disclosed on the website of the Company and hosted thereon on for a period of five years and thereafter as per the Company's policy on Archival of Website Disclosures.

## **AMENDMENTS**

The Board may review and amend this Policy from time to time.

In the event of any conflict between the provisions of this Policy and the Regulations, the Regulations shall prevail over this Policy.

Any amendments to the Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

## **CONTACT DETAILS**

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Key Managerial Personnel of the Company at the following contact details:

- Email: [cs@panelectronicsindia.com](mailto:cs@panelectronicsindia.com)
- Tel. No. : +91-20-66008187

## **ANNEXURE A**

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

***Clause - 1: The Company to disclose to the stock exchange(s) as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information.***

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. 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.
5. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
7. Appointment or discontinuation of share transfer agent.
8. Corporate debt restructuring.
9. One time settlement **with** a bank .
10. Reference to BIFR and winding-up petition filed by any party / creditors.
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.
12. Proceedings of Annual and extraordinary general meetings of the listed entity.
13. Amendments to memorandum and articles of association of listed entity, in brief.
14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

**Clause - II: Outcome of Meetings of the board of directors: The Company to disclose to the stock exchange(s) within 30 minutes of the closure of the meeting, held to consider the following:**

1. 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;
2. any cancellation of dividend with reasons thereof;
3. the decision on buyback of securities;
4. the decision **with** respect to fund raising proposed to be undertaken
5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
6. 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;
7. short particulars of any other alterations of capital, including calls;
8. financial results;
9. decision on voluntary delisting by the listed entity from stock exchange(s).

## **ANNEXURE B**

### **LIST OF EVENTS WHICH SHALL BE DISCLOSED BASED ON 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 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.
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 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.