

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATIONS

1. LEGAL FRAMEWORK:

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Hind Securities & Credits Limited ("**Company**"), to determine the materiality of events or informations, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events or information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

This Policy will be applicable to the Company effective from June 29, 2016.

2. DEFINITIONS:

A. "Board of Directors" or "Board"

Board of Directors or Board shall mean the Board of Directors of Hind Securities & Credits Limited, as constituted from time to time.

B. "Company"

Company shall mean "Hind Securities & Credits Limited".

C. "Key Managerial Personnel"

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

D. "Listing Regulations"

Listing Regulations shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations)

3. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) and mentioned below without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations:

A. The following will be disclosed to the Stock exchanges any time after the decision is taken or approval is granted but not later than 30 minutes of the conclusion of the meeting of the Board of Directors of the company (hereinafter referred to as the Board):

- 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).

B. The following events/information will be disclosed to the Stock exchanges as soon as possible but not later than 24 hours of the occurrence of the event/information:

- i. 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. Acquiring or agreeing to acquire, directly or indirectly, shares / voting rights of a company, such that the shareholding / voting rights aggregate 5%* or more of that company's total shareholding / voting rights.

- ii. 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.

- iii. Revision in Rating(s).
- iv. 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.
- v. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
- vi. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- vii. Appointment or discontinuation of share transfer agent.
- viii. Corporate debt restructuring.
- ix. One time settlement with a bank.
- x. Reference to BIFR and winding-up petition filed by any party / creditors.
- xi. 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.
- xii. Proceedings of Annual and extraordinary general meetings of the listed entity.
- xiii. Amendments to memorandum and articles of association of listed entity, in brief.
- xiv. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

4. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:

The Company shall disclose all such material events specified in Para B of Part A of Schedule III and mentioned below as per Listing Regulations subject to application of guidelines for materiality:

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS 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; or
- (c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

The following events which shall be disclosed upon application of materiality thresholds as set out above:

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- ii. 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).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. 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.
- vi. 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.
- vii. Effect(s) arising out of change in the regulatory framework as applicable Litigation(s) / dispute(s) / regulatory action(s) with impact.
- viii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- ix. Fraud/defaults etc., by directors (other than key managerial personnel) or employees of the Company.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party.

5. DISCLOSURE PROCESS:

1. Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Chairman/Managing Director/Chief Financial Officer & Company Secretary of the Company on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Key Managerial Personnel.
2. The Company Secretary and Managing Director of the Company shall severally be responsible and authorized for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
3. After evaluation, above mentioned person shall make disclosure to the Stock Exchanges.
4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other

media, including the press release, website, etc.

5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.
7. All disclosures shall be available on the website of the Company for a period of 5 years.

6. AMENDMENTS:

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 this 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.