

Kabra Extrusiontechnik Limited

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POLICY OF M/S. KABRA EXTRUSIONTECHNIK LIMITED (THE COMPANY) ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION FOR THE PURPOSE OF DISCLOSURE TO STOCK EXCHANGE/(S)

I. Statutory Obligation

- (i) Regulation 30(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as said Regulations) stipulates that every listed entity shall make disclosures of any events or information which, in the opinion of Board of Directors of the listed company is material.
- (ii) Regulation 30(2) defines "material events" as events specified in Para "A" of Schedule III appended to said Regulations. These events have to be necessarily disclosed without applying any test of materiality.
- (iii) Regulation 30(3) provides that events as specified in Part B of Part "A" of above referred Schedule III should be disclosed by the listed entity if considered material.
- (iv) Regulation 30(4) provides for criteria for determination of materiality.
- (v) Regulation 30(4)(ii) prescribe that the listed entity shall frame a policy for determination of materiality, based on criteria specified, duly approved by its Board of Directors, which shall be disclosed on its website.

II. Meaning / Explanation

(i) Criteria for applying test of materiality

The company shall consider the following **Qualitative criteria** for determination of materiality of events/ 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.

Quantitative criteria calculated based on audited financial statements of the last audited financial year, would mean event/information where the value involved or the impact:

- (a) exceeds 15 percent of the gross turnover; or
- (b) exceeds 20 percent of the net worth
whichever is lower

(ii) **Acquisition:**

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.

For the purpose of this policy, 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.

- (iii) "Officer" as defined under the Companies Act, 2013 and shall also include promoters of the Company

III. Objectives

This Policy is framed with object of making continuous, timely, adequate, accurate, uniform disclosure to enable the shareholders of the Company / investors to make well informed investment decisions.

IV. Determination of Materiality

Events or information as specified in **Annexure I** shall be deemed to be material which are specified in Para "A" of Part "A" of Schedule III appended to the

Listing Regulations and shall be disclosed without applying any test of materiality.

Any other event or information which may have material effect on the Company.

V. Time limit for disclosure of material events or information

The Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, 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 shall, along with such disclosures provide explanation for delay:

Disclosure with respect to outcome of meetings of board of directors as specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

VI. Following events or information shall be disclosed, if considered material

Events or information specified in para B of Part A of said schedule and listed in **Annexure II** shall be disclosed by the Company, if considered material after applying test of materiality i.e. criteria laid down under Regulation 30(4) of the said Regulations.

VII. Any other events / information that may likely effect business as listed in Annexure III

VIII. Disclosure of prescribed details in respect of each events

The Company in compliance of guidance provided by SEBI Circular No. : CIR/CFD/CMD/4/2015 dated 09.09.2015 shall make disclosures that are appropriate and consistent with the facts of each event. In case specific details are not disclosed, the company shall state appropriate reason for the same as part of its disclosure.

(A) Details to be provided in respect of each of material events as specified in Para A of Part A of Schedule III shall be in manner presented in said circular.

(B) Details to be provided in respect of each of events which are subject to applying test of materiality as specified in Para B of Part A of said schedule shall be in manner presented in said circular.

IX. Authorisation of KMP to determine materiality of event

In terms of Regulation 30(5) of said Regulations, any two amongst Managing Director, Chief Financial Officer and Company Secretary shall determine materiality of an event or information and make disclosure to Stock Exchange.

They can be contracted by the Stock Exchanges / Investors as detailed hereunder:

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Aforesaid details be posted on the website of the Company and disclosed to the Stock Exchange.

X. Continuous disclosure

The Company shall continuously make disclosures to update the investors on material developments on a regular basis, till such time the event is resolved / closed with relevant explanations as provided under Regulation 30(7) of said Regulations.

XI. Disclosure on website of the company

In terms of Regulation 30(8) of the said Regulations, events / information disclosed to Stock Exchange shall be hosted on the website of the Company and shall be maintained for a minimum period of five years and thereafter as per archival policy as disclosed on website of the Company.

XII. Disclosure regarding subsidiaries

The Company shall disclose all events or information with respect to subsidiaries which are material as provided under Regulation 30(9) of the said Regulations.

XIII. Response to the Stock Exchange

The company shall provide specific and adequate reply to the queries raised by Stock Exchanges with respect to any events or information. The Company may on its own initiative confirm or deny any reported event or information to the Stock Exchange as provided under Regulation 30(10) of the said Regulations.

XIV. When an event / information can be said to have occurred

Event/Information can be said to have occurred would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, would depend upon the timing when the company became aware of the event/information.

2.1. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

2.2. In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Approval and Amendments

The policy framed is approved by the Board of Directors as provided under the said Regulations for posting the same on website of the Company.

This policy is subject to any amendment to Regulation 30 of the above referred listing regulations.

ANNEXURE I

LIST OF MATERIAL EVENTS AS SPECIFIED IN PARA A OF PART A OF SCHEDULE III OF THE REGULATIONS

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.
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.

ANNEXURE II

EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF TEST OF 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.

ANNEXURE III

ANY OTHER EVENTS / INFORMATION THAT IS LIKELY TO AFFECT BUSINESS

1. Emergence of new technologies
2. Expiry of Patents
3. Any change of accounting policy that may have a significant impact on the accounts
4. Any other information necessary to appraise the security holder and to avoid the establishment of a false market in shares of the company
5. As specified by SEBI from time to time.