

JAYASWAL NECO INDUSTRIES LIMITED

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

Background:

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 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.

Policy:

1. Taking into account the aforesaid provisions and other applicable legal provisions, the Policy on determination of materiality for disclosures of events or information is being made as under:
 - A. The events specified in Para A of Part A of Schedule III of Listing Regulations are deemed to be material events and the Company will disclose the events/information to the Stock Exchanges as soon as possible but not later than 24 hours of the occurrence of event/information, save where the delay beyond 24 hours is due to any justified or bonafide reasons, disclosure shall be made to the Stock Exchanges alongwith the reasons for the delay.
 - B. The events specified in Sr. No 4. of Para A of Part A of Schedule III of Listing Regulations will be disclosed to the Stock Exchanges any time after the decision is taken or approval is granted but no later than 30 minutes of the conclusion of the meeting of the Board of Directors of the Company.
 - C. The events specified in Para B of Part A of Schedule III of Listing Regulations shall be considered for making the disclosures based on the following criteria for determination of materiality of event or information:
 - a) the omission of an event or information 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) 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 the Company, the event / information is considered material.

The para A and Para B of Part A of Schedule III of Listing Regulations is attached as **Annexure A** to this Policy
2. Where the Company makes disclosures to the Stock Exchanges, under Clause A, B or C above, the Company will also disclose material development(s) on the said event/information from time to time.

3. The Company will also disclose to the Stock Exchanges, with respect to its subsidiaries, events and information which are material to the Company.
4. The Managing Director, Joint Managing Director and Executive Director & CFO are jointly/severally authorised for the purpose of determining materiality of an event or information.
5. The Managing Director, Joint Managing Director, Executive Director & CFO and Company Secretary of the Company are severally authorised for making disclosures of such material events or information to the Stock Exchanges and for posting it on the website of the Company and the same shall be available on the website for a minimum period of five years.
6. The Managing Director, Joint Managing Director are severally authorised to make appropriate changes to the above policy as may be deemed expedient taking into account the law for the time being in force.
7. The Policy will be posted on the website of the Company www.necoindia.com.
8. This Policy is subject to review by the Board of Directors of the Company from time to time.

Annexure A

SCHEDULE III

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

[See **Regulation 30**]

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. 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;

B. 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.
13. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
