

ORIENT ABRASIVES LIMITED

CIN:- L24299GJ1971PLC093248

**POLICY ON DETERMINATION OF MATERIALITY OF
EVENTS/INFORMATION**

INTRODUCTION

This Policy is called “ORIENT ABRASIVES LIMITED – Policy for determination of materiality of events/information” (hereinafter referred to as “this Policy”) and shall be effective from 1st December, 2015 (“Effective Date”).

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Regulations”), ORIENT ABRASIVES LIMITED (hereinafter referred to as “the Company”) is required to frame a Policy for determination of materiality of events/information.

This Policy for determination of materiality of events/information aims at:

- ensuring that all investors have equal access to important information that may affect their investment decisions;
- ensuring that adequate and timely information is provided to investors;
- avoiding establishment of false market in the securities of the Company; and
- communicating the principles of materiality based on which the Company shall make disclosures of events or information.

DEFINITIONS

Definitions or phrases used in the Listing Regulations will have same meaning as in the Regulations or Companies Act, 2013.

POLICY AND PROCEDURES

As stated above, in terms of the Regulation 30 of the Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the Board of the Company, is material.

Further, the events specified in Para A of Part A of Schedule III are deemed to be material events and the Company is mandatorily required to make disclosure of such events.

The Company is required to make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality as set out in this Policy.

- In this context, the following has been approved and adopted by the Board of Directors the Company at its meeting held on 01 December 2015, with the objective of determining materiality of events.
 1. The events specified in Para A of Part A of Schedule III of the Regulations and as set out in Annexure I to this Policy shall be disclosed by the Company as applicable from time-to-time and in a manner as set out in the Regulations and this Policy.
 2. For disclosing the events specified in Para B of Part A of Schedule III, the Company shall consider the following criteria for determination of materiality of an event/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.

- d. in case where the criteria specified in sub-clauses a to c are not applicable, an event/information may be treated as being material if in the opinion of the Board and/or the Managing Director and the Company Secretary of the Company, the event/information is considered material.

DISCLOSURE BY THE COMPANY

Disclosure of material events or transaction will be submitted to the stock exchange within 24 hours of occurrence of event or information.

Disclosure of material events or transaction will also be posted on the website of the Company for a minimum period of five years.

ANY OTHER EVENT OR INFORMATION

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 financial statements of the Company 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.

AUTHORISED PERSON FOR DETERMINE MATERIALITY

The Whole Time Director and Company Secretary of the Company shall severally be responsible and authorised 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.

The disclosures made under the Regulations shall be hosted on the website of the Company (www.orientabrasives.com) and simultaneously communicated to the Stock Exchanges in the permitted mode. All disclosures shall be available on the website of the Company for a period of 5 years in accordance with the Archival Policy of the Company.

AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment of any provision of this policy must be approved in writing by the Company's Board and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment.

ANNEXURE I: PARA A OF PART A OF SCHEDULE III OF THE REGULATIONS:

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.

ANNEXURE II:

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 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.