



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

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

[Adopted by the Board of Directors at its meeting held on November 04, 2015]

Preface

Securities and Exchange Board of India has vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 made Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) which shall come into force with effect from December 01, 2015.

In terms of Regulation 30 of the Regulations, every listed entity needs to make disclosures of events or information to the stock exchanges which, in the opinion of the Board of Directors of the listed entity, is material. Further, in terms of Regulation 51 of the Regulations, every listed entity having listed its Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares needs to promptly inform the stock exchanges of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible debt securities.

Sub Regulation (4) (ii) of Regulation 30 requires that every listed entity shall have a policy for Determination of Materiality duly approved by the Board of Directors.

This Policy for Determination of Materiality of Events and Information for Disclosure to the Stock Exchanges (hereinafter referred to as ‘this/the **Policy**’) is accordingly framed in terms of the Regulations and is effective from December 01, 2015.

Disclosures

A. Disclosure of Deemed Material Events to the Stock Exchanges.

1. The following events/information shall be disclosed to the Stock Exchanges within 30 minutes of the conclusion of the meeting of the Board of Directors of the Company (hereinafter referred to as the ‘Board’) at which these are considered.
 - 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 Company from stock exchange(s).
2. The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, an explanation for the delay shall be provided.
- a. 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 Company or any other restructuring.
 - b. 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.
 - c. Revision in Rating(s).
 - d. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), 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.
 - e. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

- f. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- g. Appointment or discontinuation of share transfer agent.
- h. Corporate debt restructuring.
- i. One time settlement with a bank.
- j. Reference to BIFR and winding-up petition filed by any party / creditors.
- k. 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 Company.
- l. Proceedings of Annual and extraordinary general meetings of the Company.
- m. Amendments to memorandum and articles of association of the Company, in brief.
- n. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

B. Disclosure of Events, if material, to the Stock Exchanges.

The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information, if the impact of such event/information on the Company exceeds 10% of its gross turnover or 10% of its net worth, whichever is higher, or such higher limit as may be determined in the sole discretion of the Chief Executive Officer and/or the Chief Financial Officer. The turnover/net worth shall be based on the latest standalone audited annual financial statements of the Company. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, an explanation for the delay shall be provided.

- a. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- b. 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).
- c. Capacity addition or product launch.

- d. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- e. 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.
- f. 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.
- g. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- h. Litigation(s)/dispute(s)/regulatory action(s) with impact.
- i. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
- j. Options to purchase securities including any ESOP/ESPS Scheme.
- k. Giving of guarantees or indemnity or becoming a surety for any third party.
- l. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- m. 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 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.

The Chief Executive Officer and/or the Chief Financial Officer shall determine the limits for materiality based on the following criteria:

- (1) The non-disclosure of the event/information is likely to result in discontinuity or alteration of event/information already available in the public domain, or
- (2) It is expected that if the event/information subsequently comes in the public domain, it will impact the market price of the Company's shares significantly, wholly attributable to such event/information, or

- (3) 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, the event/information is considered material.

C. Disclosure of Information in relation to listed Non-Convertible Debt Securities and/or Non-Convertible Preference Shares, if any.

The Company shall inform the stock exchange(s) of all information which shall have bearing on performance/operation of the Company or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares. The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, an explanation for the delay shall be provided.

- a. Expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent.
- b. Any attachment or prohibitory orders restraining the Company from transferring non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details.
- c. Any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares.
- d. Any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets.
- e. Any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require.
- f. Any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations.

- g. Any events such as strikes and lock outs which have a bearing on the interest payment/ dividend payment / principal repayment capacity.
- h. Details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, the company and /or the assets along with its comments thereon, if any.
- i. Delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date.
- j. Failure to create charge on the assets within the stipulated time period.
- k. Any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the Company with any investor(s)/lender(s). Explanation.- For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.
- l. Any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- m. Any revision in the rating.
- n. The following approvals by board of directors in their meeting:-
 - (a) the decision to pass any interest payment.
 - (b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way.
- o. All the information, report, notices, call letters, circulars, proceedings, etc. concerning non-convertible redeemable preference shares or non-convertible debt securities.
- p. Any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the Company as well as price sensitive information.

D. Subsidiaries.

The Company will also disclose all events or information with respect to Subsidiaries which are material for the company.

Material Developments.

Where a disclosure with respect to an event/information to the Stock Exchanges under Clause (A), (B), (C) or (D) above is made, the Company will also disclose material development(s) on the said event/ information, till such time the event is resolved/closed.

Determination of materiality.

The Chief Executive Officer and the Chief Financial Officer, shall be responsible severally to determine the occurrence of material event reportable to the Stock Exchanges in accordance with the criteria and materiality detailed above. The Chief Executive Officer and the Chief Financial Officer shall severally make or have made the necessary disclosure(s) to the Stock Exchanges of material event(s) through the Company Secretary.

Disclosure on the website.

This Policy will be posted on the Company's website www.oclindiaLtd.in and events & information disclosed to the Stock Exchanges in terms of this Policy will also be kept posted on the said website for at least five years from the date such event/information is posted.

Conclusion.

This Policy will be reviewed as and when deemed necessary in view of the revision/amendment in the Regulations notified from time to time or otherwise.
