



*orbit exports ltd.*

# **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

*[Pursuant to Regulation 30 of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

## **1. Scope and Purpose**

The Securities and Exchange Board of India (SEBI) on September 2, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015).

Regulation 30 requires the Company to frame and adopt a policy to determine the Material Events by testing the materiality for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchanges.

Accordingly, this Policy on determination of Materiality of Events or Information has been approved and adopted by the Board of Directors of the Company at its meeting held on **10<sup>th</sup> December, 2015**.

## **2. Legal Framework**

This Policy for determination of Materiality of Events or Information (the "Policy") is aimed at providing guidelines to the Management of **M/S. ORBIT EXPORTS LIMITED** (the "Company"), to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the Stock Exchanges.

This Policy will be applicable to the Company effective December 1, 2015.

## **3. Objective**

The objective of this Policy is to serve as a guiding charter to the Management to ensure timely and adequate Disclosure of events or information are made to the Investor Community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the Securities of the Company.

## **4. Applicability**

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of Shares of the Company.

## **5. Criteria for Determining Materiality of Events or Price Sensitive Information**

Events / information shall be considered as Material if it meets any of the following criteria:

- a) the event or information is in any manner unpublished price sensitive information;
- b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- c) 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; and
- d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

## **6. Timeframe for Disclosure**

In accordance with the new Regulations, disclosures as specified in Part A of Schedule III thereof shall be made to the Stock Exchanges within 24 hours from the occurrence of information or event (except certain events arising out of the Meetings of the Board of Directors mentioned in sub-para 4 of Para A of Part A of Schedule III, which are required to be disclosed to the Exchange(s) within 30 minutes of the conclusion of the Board Meeting).

## **7. Disclosures of any Events or Information which, in the opinion of the Board of Directors, is Material**

In case where an event occurs or information is available with the company, which has not been indicated in para A, B, C above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

## **8. Authorization for disclosures**

The Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel to determine materiality of an event/information and to make disclosures to stock exchanges. The contact details of the Company Secretary and KMP shall be disclosed to the Stock Exchange and also be placed on Company's website.

## **9. Disclosure of Events/Information to Stock Exchange**

The events/ information, the disclosures of which are required to be made to the Stock Exchanges have been classified in two categories, viz., (i) Events / information which shall be disclosed irrespective of materiality (as specified in Para A of Part A of Schedule III of the Regulations) and (ii) Events / information which shall be disclosed upon application of the guidelines for materiality (as specified in Para B of Part A of Schedule III of the Regulations) which has been listed at Annexure of this Policy.

## **10. Disclosure on the website of the Company**

All such events or information which has been disclosed to Stock Exchanges under the Listing Regulations shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five

years. The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

## **11. Interpretation**

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

## **12. Amendments**

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.

## ANNEXURE

### **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 the Company 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.

(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

(7B) Resignation of auditor including reasons for resignation: In case of resignation of an independent director, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges:

- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reason other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed along with the detailed reasons as specified in sub-clause (i) above.

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 Company.

13. Proceedings of Annual and extraordinary general meetings of the Company.

14. Amendments to memorandum and articles of association of the Company, in brief.

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;

- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- m) Approval of resolution plan by the Tribunal or rejection, if applicable;
- k) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- l) Any other material information not involving commercial secrets.

**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.
  12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- C. 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 above policy has been amended in Board Meeting held on March 06, 2020.*

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