

SHIVA CEMENT LIMITED
POLICY ON CRITERIA FOR DETERMINING MATERIALITY FOR DISCLOSURE OF
EVENTS OR INFORMATION

Preface

Policy Title	Policy on Criteria for Determining Materiality for Disclosure of Events or Information
Version Number	1.1
Effective Date	4 th August, 2017
Authorised by	Board of Directors

1. OBJECTIVE

This Policy is framed in accordance with the requirements of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure that such information is disseminated in accordance with the Regulations to enable investors to be updated with changes relating to the Company to take well-informed investment decisions.

2. DEFINITIONS

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

"Board of Directors" or "Board" means the Board of Directors of Shiva Cement Limited, as constituted from time to time.

"Company" means Shiva Cement Limited.

"Key Managerial Personnel" mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

"Policy" means this Policy on Criteria for Determining Materiality for Disclosure of Events or Information and as may be amended from time to time.

"Regulations" mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification, clarification, circulars or re-enactment thereof.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI(LODR) Regulations, 2015, or any other applicable law or regulation to the extent applicable to the Company.

3. AUTHORIZED PERSONNEL

The materiality or otherwise of an event or information in terms of the Regulations will be determined severally by the Whole-Time Director, Chief Financial Officer and Company Secretary ("Authorized Persons") who will ensure disclosures are made to Stock Exchange(s) in accordance with the provisions of this Policy.

The Authorized Persons will also decide the appropriate period/stage at which disclosure is to be filed with the Stock Exchange(s) including details that may be filed.

4. EFFETCTIVE DATE

This Policy is effective from 4th August, 2017.

5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS

- A) Events specified in Annexure A are deemed to be material events and will be disclosed irrespective of application of any quantitative and qualitative materiality thresholds.
- B) The following guidelines will be applied for determining materiality for events specified in Annexure A. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.
 - 1) In order to determine whether a particular event/information is material in nature, 'quantitative' criteria will be applied. 'Quantitative' criteria mean if the total monetary impact of the event/information on either the assets, liabilities, income, expenses or turnover of the Company during the current financial year and/or the next financial year, exceeds or is likely to exceed; 10% (ten percent) of the annual revenues or 10% (ten percent) of the net worth, whichever is lower, of the audited financial statements of the Company of the previous financial year.
 - 2) In circumstances where 'quantitative' test may not be applicable or cannot be applied, a 'qualitative' or 'subjective' criteria as under will be applied to determine materiality:
 - a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
 - 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; or

- 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 the Company, the event / information is considered material; or
- d. Any event or information having a significant risk to the reputation of the Company; or
- e. In the opinion of the Authorized Persons or Board of Directors of the Company, the event/information ought to be disclosed.
- f. In determining materiality, a number of factors such as the nature of the information (both quantitative and qualitative), prevailing market conditions, general business practices, industry scenario, business outlook, etc. shall also be taken into consideration.
- g. The Company will generally endeavour to disclose material information concerning the business and affairs of the Company promptly, except when required for the purpose of maintaining the confidentiality of the information.
- h. The Company shall inform the Stock Exchange(s), on which the securities of the Company are listed, as soon as reasonably possible, and not later than twenty-four (24) hours from the occurrence of material event or information. It shall also upload the intimation on the corporate website of the Company viz. www.shivacement.com.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

6. DISSEMINATION

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.

7. DISCLOSURE

The Authorized Persons may sign the disclosures to be sent to the Stock Exchange(s) and upload on the website for the purposes of fulfilling the obligations under the Regulations.

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 Company 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 Company 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 Company 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. re-issue 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).
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 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.
 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.
 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;

Annexure B

Part B. Events which shall be disclosed upon application of the guidelines for materiality referred in 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.
5. Agreements (viz loan agreements (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revisions or amendments thereof.
6. 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.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
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.

Part 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.

Part D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may take disclosures of event/information as specified by SEBI from time to time.