

# **RDB REALTY & INFRASTRUCTURE LIMITED**

## **POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

The Securities Exchange Board of India, on 2nd September, 2015, has come out with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015). By virtue of the said Regulations, 2015, RDB Realty & Infrastructure Limited (the "Company") recognizes the need to frame a policy to determine the material events by testing the materiality as required under Regulation 30 for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality. The purpose of this Policy is to guarantee fair disclosure of material information to the public and to make sure that the disclosure is prompt, correct, relevant and not misleading, and that all market participants have simultaneous access to any share price sensitive information.

### **EFFECTIVE DATE**

This Policy is effective December 1, 2015.

### **1. Applicability**

This Policy shall be applicable to all events in the Company, as and when they come under the criteria enumerated in the Policy.

### **2. Definitions**

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

2.2 "**Board**" shall mean the Board of Directors of the Company;

2.3. "**Committee**" shall mean a Committee constituted by the Board for the purpose of determination of materiality under this Policy, which shall consist of two or more Key Managerial Personnel of the Company as may be decided by the Board from time to time;

2.4. "**Company**" shall mean RDB Realty & Infrastructure Limited;

2.5. "**Compliance Officer**" shall mean the Company Secretary of the Company;

2.6. "**Key Managerial Personnel / KMP**" means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i.e. -

a. Chief Executive Officer (CEO)/ Managing Director (MD)/ Manager;

b. Whole-time Director (WTD);

- c. Chief Financial Officer (CFO);
- d. Company Secretary (CS).

2.6. **“Market Sensitive Information”** shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company’s sector.

2.7. **“Officer”** means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.

### 3. Policy

- A. Unless otherwise decided by the Board, the Managing Director, the Whole-time Director, the Chief Financial Officer and the Company Secretary shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange.  
The contact details of any of the KMPs so designated or members of the Committee, if so constituted, shall be disclosed to the stock exchange and also be placed on the Company’s website.
- B. Certain information would be per se Material Information as per Part A of Part A of Schedule III of the Listing Regulations, 2015 (Annexure A).
- C. Besides per se Material Information, an event / information as mentioned in Para B, C & D of Part A of Schedule III of the Listing Regulations 2015 (Annexure B), would be deemed as Material Information under following circumstances:
  - i. Where the event/information impacts sales and it is likely to have an impact of 10% or more on the gross turnover as per the last Audited Annual Consolidated Accounts of the Company;
  - ii. Where the event/information impacts Profit Before Tax (PBT) and it is likely to have an impact of 10% or more on the PBT of the Company as per the last Audited Annual Consolidated Accounts of the Company;
  - iii. Where the event/information impacts Assets or liabilities and it is likely to have an impact of 10% or more on Net-worth of the Company as per the last Audited Annual Consolidated Accounts of the Company;
  - iv. For Frauds/ defaults etc. by Directors (other than key managerial personnel) or employees of the Company involving financial impact of Rs 5 crore (Rs. Five Crore) or more.

- v. In addition to above, the Company shall also consider the following criteria for determination of materiality of events/ 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;
  - (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) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

#### **4. Disclosure**

The authorized persons shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

- i. For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
- ii. Disclosure of the events enumerated in **Annexure-A** shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
- iii. All other events mentioned under **Annexure -B**, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
- iv. The details with regard to any fraud/ default by Directors, Promoter or KMP or by the Company or arrest of any Promoter or KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/ arrest.
- v. The Stock Exchange shall also be intimated further details regarding the same including actual amount of fraud/ default, actual impact of such fraud/ default on the Company and its financials and corrective measures taken thereon.
- vi. Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/ closed.
- vii. The disclosure shall be made with respect to the Company, its KMPs, or Promoters, or ultimate person in control at the time of becoming party to any litigation assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the Company, the outcome of which can reasonably be expected to have an impact.

viii. The Stock Exchange shall also be regularly intimated details of any change in the status and/ or any development thereon till the litigation or dispute is concluded and/ or is resolved

ix. All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years.

x. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.

## **5. Scope & Limitation**

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **Dealing with Ambiguous Information**

In the event of the circulation of rumors and newspaper reports concerning the Company information, realizing that such rumors and reports could affect the investment decisions of shareholders and investors, appropriate disclosure shall be made by the Committee or the KMP as the case may be, immediately, to clarify the authenticity of the information contained therein.

## **Annexure A**

### **Events which shall be disclosed without any application of the guidelines for Materiality:**

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. - '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 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 credit 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) 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).

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 thereof;

6. Fraud/defaults by Promoter or Key Managerial Personnel or by 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 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**

### **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 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 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;
13. 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.