

Gammon India Limited

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. PREAMBLE

Securities and Exchange Board of India has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'The Regulations') vide notification dated 2nd September 2015 coming into effect from 1st December 2015. The Regulations are in substitute of compliance requirement of listing agreements entered into with recognized Stock Exchanges in India in respect to listing of equity shares, debts and other securities. Regulation 30 of the Regulations *inter alia* provides for disclosure of material events or information to the Stock Exchanges which would enable investors to make informed decisions.

Regulation 30 read with Schedule III of the Regulations is divided in two parts. Part A prescribes events and information which are deemed as material and needs to be disclosed without any further criteria or materiality. Part B requires a listed entity to determine whether particular event is material or not by applying prescribed guidelines.

Regulation 30(4)(ii) provides that "The listed entity shall frame a policy for determination of materiality, based on criteria specified in this regulation, duly approved by its board of directors, which shall be disclosed on its website."

2. PURPOSE

The purpose of this policy is to outline procedures and practical guidelines that would be followed by the Company in compliance with the Regulations and applicable law and to provide indicative guidance in determining whether events are material or not and accordingly requirement of disclosures to the stock exchanges.

The Company is committed to fairness and transparency in dealing with all stakeholders and in ensuring compliance with applicable laws and regulations.

This Policy aims to provide guidance and direction to the Board and officials of the Company in relation to determination of material event or information that needs to be disclosed to the stock exchanges and relevant compliance.

To achieve these objectives, to maintain decency and to observe applicable regulation, in relation to disclosure of events and information relating to the Company, the Board of Directors of Gammon India Limited are implementing this Policy to be followed and observed as mentioned herein.

3. TITLE, COMMENCEMENT AND EXTENT

3.1 This Policy is called 'Policy for Determination of Material Event or Information' or 'the Policy'.

3.2 This Policy shall come into force from 1st December, 2015.

This Policy has been approved by the Board in its meeting held on 17th November, 2015 and the same shall come into effect from 1st December 2015.

4. **DEFINITIONS:**

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI's LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

In this Policy, except where the context otherwise requires, the following words and expressions shall have the following meaning:

- a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) "Board of Directors" means the Board of Directors of the Company, as constituted from time to time.
- c) "Company" means Gammon India Limited.
- d) "Committee" means Committee of the Board of the Directors or any other committee so constituted.
- e) "Independent Director" means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI's LODR, 2015 entered into with the stock exchanges.
- f) "Material Events" are those that are specified in Para A of Part A of Schedule III of the Regulations.
- g) "Other Events" are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation(4).
- h) The Regulations or LODR means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- i) "Key Managerial Personnel" (KMP) means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.
- j) "**Managing Director**" or "**MD**" means the Director of the Company appointed as such or in his absence Executive Director or any Director designated by the Board for the purpose of this Policy.

The words importing the singular include the plural and *vice versa* and pronouns importing a gender include each of the masculine, feminine and neuter genders and shall be interpreted in the wide sense in spirit of this Policy.

5. **EVENTS PER SE MATERIAL AS PER THE REGULATION**

The Company shall disclose the details about the events or information as prescribed in Para A of Part A of Schedule III of the Regulation, as may be relevant and applicable to the Company, in compliance with Regulation 30 without applying guidelines / criteria of materiality.

The Company shall disclose to the stock exchanges of all following events, as specified in Part A of Schedule III, or information as soon as reasonably possible and within twenty four (24) hours from the occurrence of event or information

- Acquisition(s), (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring, or sale or disposal of unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
- 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.
- Revision in Rating(s).
- Outcome of Meetings of the Board of Directors.
- 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.
- Fraud / defaults by promoters or key managerial personnel or by listed entity or arrest of KMP or promoter.
- Change in Directorships, key managerial personnel, Auditor and Compliance Officer.
- Appointment and discontinuance of share transfer agent.
- Corporate debt restructuring.
- One time settlement with bank.
- Reference to BIFR and winding-up petition filed by any party / creditors.
- 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.
- Proceedings of the Annual or Extra General Meeting.
- Amendments to Memorandum and Articles of Association.
- Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

Note: If the Management is not in a position to inform the stock exchange within 24 hours of the decision taken at the Board Meeting, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

Para B of Part A

The Company shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the following guidelines for materiality as per the provisions of Regulation 30(4) of the Regulations:

- (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, which is likely to result in significant market reaction if the said omission came to light at a later date;

- (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 listed entity, the event / information is considered material.

The following is the list of events as mentioned in Para B of Part A of Schedule III:

- Schedule of Analyst or institutional investor meet and presentation Commencement or postponement of the date of commercial production or operation of any unit / division.
- Change in the general character or nature of business brought about by arrangements for strategic, technical manufacturing or marketing tieup, new line of business or closure of operations of any unit / division.
- Capacity addition or new product launch.
- Awarding, bagging / receiving amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- 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.
- Disruption of operation of any one or more units due to natural calamity.
- Effects arising out of change in regulatory framework applicable to the listed entity.
- Litigation / dispute / regulatory action(s) with impact.
- Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- Options to purchase securities including ESOP/ESPS scheme.
- Giving of guarantees or indemnity or becoming a surety for any third party.
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- Emergence of new technologies.
- Expiry of patents.
- Change in accounting policy.
- The Board may in its discretion also authorise the KMPs to disclose such events, information or material that in its wisdom may be necessary for the Members of the exchange to know the information.

6. **AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

Managing Director and/or Chief Financial Officer and/or Chief Executive Officer of the Company and any other KMP as may be authorized by the Board (**the Designated Personnel**) shall be the authority to determine the materiality of any event or information, classify it as Material, and decide the details and appropriate time at which disclosure is to be made to the Stock Exchanges. Primarily the Designated Personnel shall determine about the disclosure as described herein. However, whenever necessary or when circumstances warrant, the Board of the Company shall determine about the material event or information and relevant disclosure and compliances.

Disclosures, decisions or matters in relation to this Policy will be communicated to the Stock Exchanges by the Company Secretary or official of the Company, as per the instructions of the Board / Designated Personnel.

7. **WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES**

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

The Compliance Officer, of the Company, shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

8. **DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES**

The KMPs of the company jointly and severally in consultation with the Board of Directors shall disclose such events / information about its subsidiary which are considered material in nature and whose disclosure is likely to materially affect the share prices of the Company.

9. **POLICY REVIEW**

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.