

## **GOKUL REFOILS AND SOLVENT LIMITED**

### **POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATIONS:**

**(Revised on Board meeting dated:13/08/2018)**

#### **1. OBJECTIVE:**

The Policy on criteria for determining materiality of events or informations (“the Policy”) is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

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.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved “the Policy for Determination of Materiality of Events or Informations” The Board shall review, and if found required, may amend this Policy from time to time.

The Policy is applicable w.e.f. 1<sup>st</sup> December, 2015.

#### **2. DEFINITION:**

“**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 Gokul Refoils and Solvent Limited, as constituted from time to time.

“**Company**” means Gokul Refoils and Solvent Limited.

“**Key Managerial Personnel**” mean key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013;

“**Listing Regulations**” shall mean SEBI (Listing Obligations and Disclosure Requirements), 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

**“Policy”** shall mean this Policy on criteria for determining materiality of events or information and as may be amended from time to time.

**"Schedule"** shall mean Schedule III of Listing Regulations.

**“Subsidiary”** shall mean a company falls within the criteria defined under Section 2 (87) of the Act.

**“Stock Exchanges”** shall mean BSE Limited and the National Stock Exchange of India Limited where the equity shares of the Company are listed.

**“SEBI Regulations”** shall include the Listing Regulations, Circular, Notifications etc. issued by Securities Exchange Board of India from time to time.

Any other term not defined herein shall have the same meaning as defined in the Act, SEBI Act or Rules and Regulations made thereunder, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act/Listing Regulations, the latter shall apply.

### **3.GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR 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 has 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.

### **4. DISCLOSURES OF EVENTS OR INFORMATION:**

**A:** Para A of part A of Schedule III of the Listing Regulations provides that those events which have been incorporated therein have to be considered as material and accordingly disseminated.

In respect of such events, the Company shall have no discretion in deciding whether they need to be reported to the exchanges or not. Such events have to be reported invariably to the exchange as being material.

**B:** Para B of part A of Schedule III of Listing Regulations lists out the events which are to be disclosed by the company upon application of the guidelines for determination of materiality as provided under clause 3 of this policy. The events falling within para B of part A are given hereunder:

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.
- 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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- D.** With out prejudice to the generality of para (A) and (B) above, the Company may make disclosures of event/ information as specified by SEBI from time to time.

#### **5. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION OF THE COMPANY**

The following criteria, as specified in Para B of Part A of Schedule III of the Listing Regulations would be deemed as material events/information if the value involved or the impact: (a) exceeds ten per cent of the consolidated gross turnover, or (b) exceeds ten per cent of the consolidated net worth whichever is lower.;

The consolidated gross turnover and consolidated net worth will be calculated based on the consolidated audited accounts of the immediate preceding financial year.

**6. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION OF SUBSIDIARIES OF THE COMPANY**

In case the Events or information relates to the Subsidiary of the Company, which are material to the parent company, namely, Gokul Refoils & Solvent Ltd shall be disclosed to the Stock Exchanges. The materiality threshold as defined in clause 5 of the Policy should be determined based on the consolidated figures of the Company.

**7. AUTHORITY TO KEY MANAGERIAL PERSONNEL:**

The Whole time Director and Company Secretary of the Company shall severally have the authority to take a view on the materiality of any other event or information and make the disclosures of such material event or information to stock exchange(s).

As required by the Regulations, the company shall provide to the stock exchange(s), the contact details of the above named persons and update the same from time to time. Their details shall also be provided on the company's website.

**8. AMENDMENTS:**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

**9. DISSEMINATION OF POLICY:**

This Policy shall be hosted on the website of the Company viz. [www.gokulgroup.com](http://www.gokulgroup.com) and address of such web link thereto shall be provided in the Annual Report of the Company.

**10. GENERAL:**

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's Policy on Preservation of Documents and Archival Policy.