

SUPERIOR FINLEASE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS FOR DISCLOSURE TO STOCK EXCHANGES

1. INTRODUCTION

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Superior Finlease Limited (“the Company”) is required to formulate a policy for determination of materiality of events and information which are required to be disclosed to the stock exchanges where the securities of the Company are listed (“Stock Exchanges”). Accordingly, the Board of Directors of the Company at its meeting held on May 29, 2017 approved and adopted this “Policy for Determination of Materiality of Events for Disclosure to Stock Exchanges” (“Policy”) which shall be effective from June 1, 2017.

2. OBJECTIVE

The Policy aims to provide a framework for determining materiality of events and information for the purpose of making disclosure to Stock Exchanges in terms of sub regulations 3 and 4 of Regulation 30 of Listing Regulations.

3. CRITERION FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

The following criterion shall be considered for determination of materiality of events and information:

- i. the event or information, omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. the event or information, omission of which is likely to result in significant market reaction if disclosure or disclosure regarding omission came to light at a later date;
- iii. In case where the criterion specified in sub-clauses (I) and (II) are not applicable, an event/information may be treated being material, if in the opinion of the Board of Directors of the Company, the event or information is considered material.

4. MATERIAL EVENTS AND INFORMATION

4.1. The events and information conforming to the materiality thresholds given below shall be considered material for the purpose of disclosure to the Stock Exchanges in terms of Regulation 30(3) of the Listing Regulations:

S.No	Event/Information	Materiality Threshold
1.	Commencement or any postponement in the date of commencement of a project or commercial production or commercial operations of any unit/division	<p>a) The estimated annual revenue from such unit/division during first full year of operation is more than 30% of the revenue of the Company during the immediately preceding accounting year or the total project cost is more than 30% of the net worth of the Company as at the end of the immediately preceding accounting year.</p> <p>b) The postponement in the date of commencement of commercial production of aforesaid unit / division is by more than 30% of the original project implementation period.</p>
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).	<p>a) The estimated increase or decrease in annual revenue of the Company attributable to change in general character or nature of business, during first full year of operation after such event, is more than 30% of the revenue of the Company for the immediately preceding accounting year.</p> <p>b) The revenue from the unit / division closed or proposed to be closed is more than 30% of the revenue of the Company for the immediately preceding accounting year.</p>
3.	Capacity addition or product launch.	The estimated increase in annual revenue of the Company due to such capacity addition or product launch during the first full year of operation after such event is more than 30% of the revenue of the Company for the immediately preceding accounting year.
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	a) In case of awarding or bagging / receiving contracts not in the normal course of business and termination thereof, the annual contract value (in terms of revenue, payment obligation, etc. as the case may be) being in excess of 30% of the revenue of the Company for the immediately preceding accounting year.

		b) In case of amendment in the aforesaid contract(s), the impact on the contract value being more than 30% of the existing contract value.
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.	The following agreements not in the normal course of business: a) Individual agreement for availing loan by the Company in excess of 30% of its net worth as at the end of the immediately preceding accounting year, termination thereof before the maturity or amendment thereof (if such amendment results in change in the loan amount by more than 30% of the loan). b) In case of other agreements, the annual contract value (in terms of revenue, payment obligation, as the case may be) being in excess of 30% of the revenue of the Company for the immediately preceding accounting year, termination thereof or amendment thereof (if such amendment results in change in the contract value by more than 30% of the original contract value).
6.	Disruption of operations of any one or more units or divisions of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts, break down of machinery etc.	If such disruption is likely to continue for more than 7 days.
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	If the annual impact on the profit before tax of the Company is more than 30% of the profit before tax for the immediately preceding accounting year.
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	The litigations filed against the Company, disputes raised by third parties and regulatory actions against the Company where the aggregate estimated impact on the Company is more than 30% of the net worth of the Company as at the end of the immediately preceding accounting year.
9.	Fraud/defaults, etc. By directors (other than key managerial personnel) or employees of the Company.	a) If such fraud falls within the purview of Section 143(12) of the Companies Act, 2013. b) If the default is committed by any director or senior executive of the Company other than key managerial personnel in discharging

		his / her payment obligation, if any, to the Company in excess of Rs. 10 lac.
10.	Options to purchase securities including any ESOP/ESPS Scheme.	Any grant of stock options in pursuance of Securities and Exchange Board of India (Share based Employees Benefits) Regulations, 2014 or 4 any amendment or replacement thereof.
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	The amount of individual guarantee, indemnity or surety being in excess of 30% of the net worth of the Company as at the end of the immediately preceding accounting year.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	If such action results into commencement or discontinuation or suspension of operations of the Company impacting the annual revenue of the Company by more than 30% of the revenue of the Company for the immediately preceding accounting year.

4.2 The Company shall make disclosures of any events or information which in the opinion of the Board of Directors is material. The events mentioned in PART – A: Disclosures of Events or Information as per Schedule III of the Regulations shall be disclosed without any application of the guidelines of materiality. The indicative list of such events shall form part of this policy. **(Sub regulation (4) of Regulation 30).**

4.3 The Company shall also disclose any other event or information to the Stock Exchanges which is considered material by the Board of Directors of the Company.

4.4. The aforesaid events and information shall be disclosed to the Stock Exchanges in the manner prescribed under Listing Regulations.

5. AUTHORITY

5.1. The Board of Directors of the Company has authorised the Managing Director, Chief Financial Officer and Company Secretary (“Authorised persons”), any two of them acting jointly, to determine the materiality of any event/information (including that of its subsidiaries) for the purpose of disclosure to the Stock Exchanges.

5.2 Normally, the Company Secretary shall make necessary disclosures of events or information to the Stock Exchanges under Regulation 30 of Listing Regulations. However,

such disclosures can also be made either by Chief Financial Officer or Managing Director of the Company.

6. DISCLOSURE ON WEBSITE OF THE COMPANY

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy, as disclosed on its website.

7. AMENDMENT

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. Any provision in this policy, insofar as it is inconsistent or contradictory with the provisions of law and/ or any statutory enactments shall, to the extent of such inconsistency, be void and the provisions of law/ statutory enactment shall prevail.