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

[UNDER REGULATION 30 (4)(ii) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]
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1.0 Concept

1.1 Background

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), SKF India 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”).

1.2 Scope and Purpose

The purpose of this Policy is to determine “materiality” of events and information, and to ensure that the Company shall make disclosure of events / transaction/ information in terms of Regulation 30 of Listing Regulations [specified in para A and B of Part A of Schedule III of the Listing Regulations (as amended from time to time) to the Stock Exchanges.

1.3 Applicability

The Policy as approved by the Board of Directors of the Company shall be effective from December 1, 2015. The Policy shall be displayed on the website of the Company.

2.0 Determination of Materiality

The Company shall consider the following criteria for determination of materiality of events and information:

a) The omission of an event or information, which is likely to result in discontinuity or alternation of event or information already available publicly; or

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) 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.

d) The events or information, the impact of which is more than 10% of the turnover of the Company, as the case my be. These thresholds shall be determined on the basis of audited financial statements of the Company for the preceding financial year.

e) The events or information which, in the opinion of the Board of Directors of the Company, are fit to be considered as material and therefore shall be mandatorily disclosed by the Company to the stock Exchanges, as soon as possible within a resonable time of their occurrence, but not later then twenty four hours from the occurrence of such event.

3.0 Disclosures of Events or Information
3.1 Events specified in Schedule III [Para A of Part A] to the Listing Regulations as set out in Annexure A shall be deemed to be material events for the purpose of disclosure to the Stock Exchanges, without application of materiality criterion/ thresholds given in clause 2 above. These events / information shall be mandatorily disclosed by the Company to the Stock Exchanges, as soon as possible within reasonable time of their occurrence, but not later than twenty four hours form the occurrence of such event.

3.2 Events listed in Sub-Para 4 of Para A of Schedule III of the Listing Regulations, as set out in Annexure B to this Policy are deemed to be material events and as such shall be mandatorily disclosed by the Company to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting.

3.3 Events listed in Para B of Part A of Schedule III of the Listing Regulations, as set out in Annexure C to this Policy are deemed to be material events and as such shall be mandatorily disclosed by the Company to the Stock Exchanges, as soon as possible within reasonable time of their occurrence, but not later than twenty four hours form the occurrence of such event.

In case there is a delay in disclosing the event / information to the Stock Exchanges, in terms of the Policy, the Company shall provide appropriate explanation for such delay.

4.0 Other Provisions relating to Disclosures

4.1 The Company shall, in respect to disclosures made under the Listing Regulation, make disclosures updating material developments on a regular basis to the Stock Exchanges, till such time the event is resolved/closed, with relevant explanations.

4.2 The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulation for a minimum period of five years and thereafter as per the archival policy of the Company.

4.3 The Company shall provide specific and adequate reply to all queries raised by stock exchanges with respect to any events or information provided that the stock exchanges shall disseminate information and clarification as soon as reasonably practicable.

4.4 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchanges.

5.0 Authority
5.1 The Managing Director / CEO of the Company has been authorised by the Board to determine whether or not an event / information is material for the purpose of disclosing it to the Stock exchange(s), in terms of the Policy.

5.2 The Managing Director / CEO and the Finance Director / CFO of the Company are also authorised by the Board to interact or communicate with the Media / Press or Analysts or investor community after the material events / information is intimated to the Stock Exchanges in terms of this Policy.

5.3 The Managing Director / CEO or Finance Director / CFO or the Company Secretary of the Company are authorised to disclose as decided by the Managing Director / CEO such material event or information or press release to the Stock Exchanges.

6.0 Review

The Company reserves right to modify or revise this Policy in whole or in part from time to time. In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed there under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Statutory Provisions”), the provisions of such Statutory Provisions shall prevail.
The following events/information listed in Para A of Part A of Schedule III of the Listing Regulations upon occurrence shall be mandatorily disclosed to the stock exchanges, as soon as possible within reasonable time of their occurrence, but not later than twenty four hours form the occurrence of such event.

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. 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.

5. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

7. Appointment or discontinuation of share transfer agent.

8. Corporate debt restructuring.

9. One time settlement with a bank.

10. Reference to BIFR and winding-up petition filed by any party / creditors.

11. 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.


13. Amendments to memorandum and articles of association of the Company, in brief.

14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
Annexure B

The following events/information listed in Sub Para 4 of Para A of Schedule III of the Listing Regulations upon occurrence shall mandatorily be disclosed to the stock exchanges, within 30 minutes of the conclusion of the Board Meeting.

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 exchanges

Annexure C

The following events/information listed in Para B of Part A of Schedule III of the Listing Regulations upon occurrence shall be mandatorily disclosed to the stock exchanges after applying the criteria of materiality, as soon as possible within reasonable time of their occurrence, but not later than twenty four hours from the occurrence of such event.

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 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.

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 listed entity 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.

14. Without prejudice to the generality of Annexure A, Annexure B and above, the listed entity may make disclosures of event/information as specified by the Board from time to time.