



SHETHIA ERECTOR'S AND MATERIAL HANDLERS LTD

Determination of Material Event Policy

(Approved at the meeting of the Board of Directors held on 31st July, 2020)

Material Event Policy

1. PREFACE

The Board of Directors (the "Board") of Shethia Erector's and Material Handlers Ltd (the "Company") has adopted the following policy and procedures with regard to disclosure of information and determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 51 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy shall be known as 'Determination of Materiality Event Policy'.

2. PURPOSE OF THE POLICY

The purpose of this policy is to ascertain the requirement of disclosure of events or information to stock exchange(s) and defining criteria for determining materiality of events and information specified under Regulation 51 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. DEFINITION

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

"Board of Directors" or **"Board"** means the Board of Directors of AVI Polymers Limited, as constituted from time to time.

"Company" means Shethia Erector's and Material Handlers Ltd.

"Key Managerial Personnel" mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

"Listing Agreement" shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015

"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 5 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.

"Material Subsidiary" shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

"Policy" means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

"Regulations" mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

"Schedule" means a Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. DISCLOSURE OF EVENTS OR INFORMATION

a. Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner to:

- the stock exchanges in which the securities of the Company are listed;
- upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

- b. The Company shall make disclosure of events as specified in Annexure B based on application of guidelines/ criteria for determining Materiality as per clause 5 of the Policy.
- c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- d. The Company shall disclose all events or information with respect to its Material Subsidiaries if any.
- e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- f. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

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 for Preservation and Archival of Documents.

5. GUIDELINES/ CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION AND PROCEDURE FOR DISCLOSURE THEREOF

The company shall consider the following criteria for determination of materiality of an event or information:

- (a) The omission of disclosure of such event or information shall lead to discontinuity or alteration of event or information already available publicly.
- (b) The omission of disclosure of such 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 listed entity, the event / information is considered material.

6. AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Chairman, the Chief Executive Officer, the Chief Financial officer, the Company Secretary of the Company or any person, which the Board may deem fit are authorized for the purpose of determining materiality of an events/information and for the purpose of making disclosures to stock exchanges under this regulation. For determining materiality of an event or information consent of any two of the Key Managerial Personnel shall be required.

7. 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.

8. SCOPE AND 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.

9. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company.

Annexure A

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

- (1) financial results;
- (2) dividends;
- (3) change in capital structure;
- (4) mergers, de -mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- (5) changes in key managerial personnel;
- (6) changes in terms of issue of Debentures or further issue of debentures; and
- (7) all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non- convertible debt securities or redeemable preference shares including such other events as described in Regulation 51 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with schedule III part B as **material event** as detailed below:
 - (a) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;
 - (b) any attachment or prohibitory orders restraining the listed entity from transferring non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;
 - (c) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;
 - (d) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
 - (e) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
 - (f) any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;
 - (g) any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;
 - (h) details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any;
 - (i) delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;
 - (j) failure to create charge on the assets within the stipulated time period;
 - (k) any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or

postponement of the repayment programmes of the dues/debts of the listed entity with any investor(s)/lender(s).

Explanation.- For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.

- (l) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (m) any revision in the rating;
- (n) the following approvals by board of directors in their meeting:-
 - (a) the decision to pass any interest payment;
 - (b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
- (o) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non-convertible debt securities;
- (p) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

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 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;
- (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 etc;
- (7) Effect(s) arising out of change in the regulatory framework applicable to the Company;
- (8) Litigation(s) / dispute(s) / regulatory action(s) having major 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 if any;
- (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.