



SPRAYKING AGRO EQUIPMENT LIMITED

Policy on Criteria for Determining Materiality of Events / Information



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SPRAYKING AGRO EQUIPMENT LIMITED

Policy on Criteria for determining Materiality of Events / Information

1. Preface: -

The Board of Directors (the “Board”) of Sprayking Agro Equipment Limited (the “Company”) adopted the following policy (the “Policy”) and procedures, in their meeting held on August 3, 2016, with regard to “Policy for determination of Materiality of Events / Information” which is required to be disclosed to the Stock Exchanges under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations and it will be effective from the date of Listing.

2. Objective: -

Pursuant to the Regulations, the Company is under an obligation to make disclosure of any events or information which, in the opinion of the Board of Directors is material.

The objective of this policy is therefore to lay down the criteria for determination of materiality of events and information that need to be disclosed to the Stock Exchanges as and when they take place in the Company and other matters related thereto.

3. Definitions: -

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 Sprayking Agro Equipment Limited, as constituted from time to time.

“**Company**” means Sprayking Agro Equipment Limited.

“**Key Managerial Personnel**” mean Key Managerial Personnel as defined in subsection (51) of section 2 of the Companies Act, 2013.

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

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



“**Material Events**” are those that are specified in Annexure II and provided in Para A of Part A of Schedule III to the Listing Regulations. In the policy, the words, “material” and “materiality” shall be construed accordingly.

“**Other Events**” are those events or information are those that are specified in Annexure III and which is material, based on the application of criteria for determining materiality of events or information as provided in Point No. 6 of this policy and provided in Para B of Part A of Schedule III to the Listing Regulations.

“**Schedule**” means PART A of Schedule III Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Guidance & Disclosure of Events or Information: -

a. **Guidance on when an event/information has occurred given by SEBI is as per Annexure I**

b. **Disclosure of Material Events or Information:**

Events specified in Annexure II 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 to the Stock Exchanges on which the securities of the Company are listed and on the website of the Company.

Provided that in case the disclosure is made after 24 hours of occurrence of Material Events or Information, the Company shall, along with such disclosure, provide explanation for delay.

c. **Disclosure of Other Events:**

The Company shall make Disclosure, first to the Stock Exchange, of Other Events, as provided in Annexure III and which is material, based on the application of criteria for determining materiality of events or information, as provided in point No. 6 of this policy.

5. Authorization for determining of materiality of events / Information: -

The Managing Director and/or Company Secretary of the Company are jointly and/or severally authorized by the Board of Directors of the Company to determine the materiality of an event or information, as provided in Annexure III, based on the application of criteria for determining materiality of events or information, as provided in Point No. 6 of this policy and to make disclosures to Stock Exchange(s) under the Listing Regulations, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.



Further, the Managing Director and/or Company Secretary of the Company are jointly and/or severally authorized to make disclosure of events or information available with the Company and which has not been provided in the Annexure II or Annexure III, but which may have material effect on the Company.

The Managing Director and/or Company Secretary of the Company shall be guided by the following principles while approving the disclosures.

- a) They should be reasonably satisfied that the disclosures did not contain any misrepresentation and is not misleading or untrue.
- b) If any part of the disclosure includes quotes from a report statement or opinion made by an expert.
- c) They should ensure that written consent of the expert to the use of the report statement or opinion in the disclosure has been obtained.
- d) If the Managing Director and/or Company Secretary of the Company are of the opinion that an issue of an announcement is unduly detrimental to the company's interest, they may determine the period for which the confidentiality shall be maintained and shall issue directions regarding the following:
 - i. To ensure that all the connected persons who are aware of the information, know that it is confidential and they are obligated to keep the material facts confidential.
 - ii. To ensure that there is no selective disclosure of confidential material information to third parties.
 - iii. To ensure that no one with the knowledge of material information has traded in the securities of the Company and in the securities of other company affected by material information and causing connected person to refrain from the trading in the securities till the information is made public.

6. Criteria for determination of Materiality of Events/Information: -

The Managing Director and/or Company Secretary of the Company shall consider the following criteria for determination of Materiality of Events/information for the purpose of Point 4(c) of this policy.

- 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 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 (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



7. Authorization to suo moto accept / deny reported events or information: -

The Managing Director and/or Company Secretary of the Company are jointly and/or severally authorized to suo moto accept or deny any report event or information, which has been unauthorized made public by media or by any other means including but not limited to electronic means.

They are further authorized to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company.

Such action taken by the Managing Director and/or Company Secretary of the Company shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

8. Disclosure: -

The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under the Listing Regulations and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter archived as per the Policy for Preservation of Documents (including Archival Policy) of the Company.

The Managing Director and/or Company Secretary of the Company of the Company, with respect to the disclosure of any material event / information already made to the Stock Exchange(s), shall make disclosures updating material developments on a regular basis till such time the event is resolved / closed, with relevant explanations to the Board of Directors and to the Stock Exchange(s). Such updates shall also be hosted on the website of the Company.

The Managing Director and/or Company Secretary of the Company shall provide specific and adequate reply to all the queries raised by the Stock Exchange(s) with respect to any event or information.



Annexure I

Guidance on when an event / information has occurred

(Refer to point 4(a) of the policy)

1. The Company may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information.
 - A. In case of discussion, negotiation or approval, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

- B. In case there is no such discussion, negotiation or approval required, the events/information can be said to have occurred when a Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.



Annexure II

Disclosure of Material Events (refer Point No. 4(b) of the Policy)

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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 listed entity 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 listed entity 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. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - 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 listed entity from stock exchange(s).
5. 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.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One-time settlement with a bank.
 11. Reference to BIFR and winding-up petition filed by any party / creditors.
 12. 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. Proceedings of Annual and extraordinary general meetings of the listed entity.
 14. Amendments to memorandum and articles of association of listed entity, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;



Annexure III

Disclosure of Other Events (refer Point No. 4(c) of the Policy)

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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 listed entity 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 listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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.