

## **POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

### **1. PREAMBLE**

The Securities and Exchange Board of India (“**SEBI**”) have formulated the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**Listing Regulations**”) under the powers conferred on it, under the SEBI Act, 1992, which is effective from December 01, 2015.

Regulation 30 of the Listing Regulations requires every Listed Company to devise a Policy on criteria for determining materiality of Events, for disclosing to the Stock Exchanges..

In compliance with the above requirement, FDC Limited (“**the Company**”) has formulated this Policy on criteria for determining materiality of events or information, in order to evaluate the materiality of any events or information, timely and accurate dissemination of the same to the Stock Exchanges and to ensure good corporate governance.

### **2. DEFINITIONS**

- a) “**Act**” means the Companies Act, 2013 and the Rules made thereunder including any statutory amendment or modification thereof.
- b) “**Board**” means the Board of Directors of the Company.
- c) “**Stock Exchange or Exchanges**” shall mean BSE Limited and National Stock Exchange of India Limited.
- d) “**Subsidiary**” shall mean subsidiaries, as defined under the Companies Act, 2013 and the Rules made there under.

Any other term not defined herein shall have the same meaning as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013, Securities Contract Regulation Act or any other applicable law or regulations.

### **3. CRITERIA FOR DETERMINING THE MATERIALITY OF EVENTS/INFORMATION**

An Event/Information shall be considered as Material if it meets any of the following criteria:

- a. the omission of an event or information which is likely to result in discontinuity or alteration of events or information already available publicly; or
- b. the omission of an event or information is likely to result in a significant market reaction, if the said omission comes to light at a later date;
- c. Where it would be difficult to report any event, including events specified in **Annexure B**, based on qualitative criteria as stated in points i and ii above, the same may be considered material for disclosure, upon meeting the materiality thresholds as mentioned herein below:
  - i. For events specified in **Annexure B**, if the impact of the occurrence of such an event would exceed 10% (Ten percent) of the gross standalone turnover of the Company, in the immediately preceding accounting year.

- ii. For events specified in **Annexure B**, with respect to a Subsidiary of the Company, if the impact of the occurrence of such an event would exceed 10% (Ten percent) of the gross consolidated turnover of the Company, in the immediately preceding accounting year.
- d. in case where the criteria specified in sub-clauses i to iii are not applicable, an event/information may be treated as being material if in the opinion of the Board and/or the Managing Director and the Chief Financial Officer (CFO) of the Company, the events/information is considered as a material.

#### **4. MATERIAL EVENTS OR INFORMATION**

The following events and information shall be material for the purpose of this policy:

- a. Events & information specified in **Annexure A**;
- b. Events & information specified in **Annexure B**, based on application of the criteria for materiality as specified in Clause 4 of this Policy;
- c. Any other events/information 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;
- d. Events and information as specified by the Securities and Exchange Board of India from time to time; and
- e. Events or information which, in the opinion of the Board of Directors of the Company is material.

#### **5. 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 24 (Twenty Four) hours from the occurrence of such an event or information.
- b. Provided that in case the disclosure is made after 24 (twenty four) hours of occurrence of such an event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.
- c. Disclosure of Material Events and/or Information specified in **Paragraph 4 of Annexure A** shall be made within 30 (Thirty) minutes of the conclusion of the meeting of the Board of Directors.
- d. The Company shall make disclosures updating material developments on Material events and/or Information on a regular basis, till such time the event is resolved / closed, with relevant explanations;
- e. The Company shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information

The above disclosures shall be available on the website of the Company i.e. www.fdcindia.com and simultaneously communicated to the Stock Exchanges in the permitted mode. All disclosures shall be available on the website of the Company for a period of 5(Five) years in accordance with the Preservation and Archival Policy of the Company.

In case of any confusion with regard to the date of occurrence of events or information for the purpose of informing to the Stock Exchanges, the Company shall decide the same after examining it in light of the Guidance note issued by SEBI in this regard.

## **6. PERSONS AUTHORISED TO DETERMINE MATERIALITY**

Any event required to be reported under Regulation 30 of the Regulations shall be informed by the Managing Director or Chief Financial Officer of the Company on an immediate basis with adequate supporting data or information to facilitate a prompt and appropriate disclosure.

Any other event, even if not covered under the Regulations but is potentially of a price sensitive nature, shall also be informed, for further evaluation, by the Chief Financial Officer.

The process of disclosure shall be in line with the process set out under the **“CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION”**.

The Managing Director and the Chief Financial Officer of the Company shall severally be responsible and authorised for ascertaining the materiality of events, considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.

The contact details of the persons authorised to determine materiality of events under this Policy are as follows:

**Mohan A. Chandavarkar, Managing Director**

**FDC Limited**

142-48, S.V.Road,  
Jogeshwari (West),  
Mumbai- 400 102  
Email ID: mac@fdcindia.com  
Phone: 022-3071 9100

**Sanjay B. Jain, Chief Financial Officer**

**FDC Limited**

142-48, S.V.Road,  
Jogeshwari (West),  
Mumbai- 400 102  
Email ID: sanjay.jain@fdcindia.com  
Phone: 022-3071 9100

The Managing Director, the Chief Financial Officer & Company Secretary of the Company shall severally be responsible and authorised for dissemination of such events and information in accordance with provisions of the Regulations or any other law as may be applicable.

## **6. ALTERATIONS TO THE POLICY**

The Board is authorised to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Act and the Listing Regulations.

## **7. POLICY REVIEW**

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments. In case of any subsequent changes in the provisions of the Act or Listing Regulations or any other regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the Applicable Law.

## **ANNEXURE A**

### **EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY:**

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 - 'Acquisition' shall mean, -

- acquiring control, whether directly or indirectly; or,
- 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 5 % (five percent) 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 and such change exceeds 2% (two percent) 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 credit rating(s).
4. Outcome of Meetings of the Board of Directors: The Company 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 issues 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 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 Company), 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 the Promoter or Key Managerial Personnel or by Company 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 Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of the Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

## **ANNEXURE B**

### **EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY:**

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 awards/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.