

2016

**POLICY ON DETERMINATION OF
MATERIALITY OF EVENTS OR
INFORMATION**



Shaily

Shaily Engineering Plastics Ltd.

Survey 364/366, At. & Po. Rania, Tal. Savli, Dist. - Vadodara - 391 780,
Gujarat, India

Policy on Determination of Materiality of Events or Information

Base Document : Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Policy Owner : Secretarial Department

Effective Date : December 01, 2015

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1. Legal Framework

- 1.1 This Policy for Determination of Materiality of Events or Information (*the "Policy"*) is aimed at providing guidelines to the Management of Shaily Engineering Plastics Limited (*the "Company"*), to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the stock exchanges.
- 1.2 This Policy has been formulated in accordance with the guidelines laid down by Securities Exchange Board of India ("SEBI"), under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("*Listing Regulations*"), with respect to disclosure of events and information.
- 1.3 Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors of the Company in its meeting held on October 29, 2015 approved the "*Policy for Determination of Materiality of Events or Information*". The Board shall review, and if found required, may amend this Policy from time to time.
- 1.4 This Policy will be applicable to the Company effective December 1, 2015.

2. Objective

The objective of this Policy is to serve as a guiding charter to the Management to ensure timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI Listing Regulations, 2015 thereby enabling and promoting greater transparency.

3. Applicability

- 3.1 Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.
- 3.2 The Company shall make disclosure of events specified in **Annexure 1** (*Events specified in Para A of Part A of Schedule III of the Listing Regulations and as may be amended from time to time*), without applying any test of materiality to the stock exchanges within specified timelines.
- 3.3 The Company shall make disclosure of events specified in Annexure 2 (*Events specified in Para B of Part A of Schedule III of the Listing Regulations and as may be amended from time to time*), based on application of the guidelines for materiality, to the stock exchanges within specified timelines, as specified below:

3.3.1 **Quantitative criteria** would be calculated based on audited financial statements of the last audited financial year, and would mean event/information where the value involved or the impact exceeds 20% (twenty percent) of the annual turnover of the company.

3.3.2 **Qualitative criteria** would mean an event/ information :

- a. have a bearing on the performance/operation of the Company.
- b. Which is considered to be unpublished price sensitive information as per the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and as evaluated by the Authorized KMP's.
- 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 company/Authorized KMP's, the event / information is considered material.

4. Guidelines for determination of materiality of event/information

4.1 In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure, so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

4.2 Under the system, Chairman, Managing Director and the Chief Financial Officer & Vice President – Finance, Head of the Departments who are responsible for relevant areas of the Company's operations ("Responsible Officers") must report to the Managing Director/Compliance Officer of the Company of any event / information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event / information should be reported immediately after a Responsible Officer becomes aware of it.

4.3 On receipt of the communication of potential material event/information, the Compliance Officer/Company Secretary would ;

- a. Review event / information and to take whatever steps necessary to verify its accuracy;
- b. Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- c. Report the matter to the Managing Director /Chief Financial Officer/Company Secretary that event / information is material and requires disclosure under Regulation 30 of the Listing Regulations.

Where the Managing Director/Chief Financial Officer/Company Secretary is not certain about materiality of event / information, they may refer matter for external legal advice.

5. Disclosure of Material Events/Information

- 5.1 The Company shall disclose to the stock exchanges of all events, specified in Annexure-1 or information as soon as reasonably possible and not later than 24 hours from the occurrence of the event/information. In the event the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures provide an explanation for such delay.
- 5.2 The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the stock exchanges with relevant explanations.
- 5.3 The Company shall also disclose all events or information with respect to subsidiaries which are material, if any, for the Company.
- 5.4 The Company shall disclose the details of the material events/ information, in accordance to the Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations 2015 and amendments if any, from time to time.
- 5.5 All the disclosures made to the stock exchange under this Policy shall also be disclosed on the website of the Company and the same shall be hosted for a minimum period of five years as per the Records and Archive Management Policy of the company.

6. Authorization for Disclosures

Unless otherwise decided by the Board of Directors, the following persons are authorized to determine materiality of an event/information and to make disclosures to stock exchange(s) and other regulatory authorities, if any.

Authorised KMP for Determination of Materiality of Event/Information

Mr. Mahendra Sanghvi	-	Executive Chairman
Mr. Laxman Sanghvi	-	Executive Director
Mr. Amit Sanghvi	-	Managing Director
Mr. Sanjay Shah	-	CFO & Vice President (Finance)

Contact Nos # Ph- +91- 2667 – 244307/244348
Fax +91 2667 244372

Email Id : secretarial@shaily.com

7. Communication of the Policy

For all new Employees and Directors, a copy of this Policy shall be provided as a part of the joining documentation, along with other HR related policies. For all existing Employees and Directors, a copy of this Policy shall be provided within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the web-site of the Company.

8. Amendment

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.

Annexure -1

The following shall be the events, as specified in Para A of Part A of Schedule III of the Listing Regulations 2015 and as may be amended from time to time, upon occurrence of which the Company shall make disclosures to the Stock Exchanges.

Schedule III, Para A of Part A	Provision
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.
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.	<p>Outcome of Meetings of the Board of Directors, within 30 minutes of the closure of the meeting, held to consider :</p> <ul style="list-style-type: none"> (i) 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 ; (ii) any cancellation of dividend with reasons thereof ; (iii) the decision on buyback of securities ; (iv) the decision with respect to fund raising proposed to be undertaken ; (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched (vi) 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; (vii) short particulars of any other alterations of capital, including calls and financial results ; (viii) decision on voluntary delisting by the company from stock exchange(s).
5.	Agreements which are binding and not in normal course of business, revisions or amendments and terminations thereof (viz. shareholder agreements, joint venture agreements, family settlement agreements, contracts with media companies).

6.	Fraud/defaults by promoter or key managerial personnel or by company or arrest of key managerial personnel or promoter -At the time of unearthing of fraud or occurrence of the default / arrest -Subsequently intimate the stock exchange(s) further details regarding fraud/default/arrest.
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 listed entity, in brief.
15.	Schedule of Analyst or Institutional Investor meet and presentations on financial results made by the company to analysts or institutional investors.

Annexure -2

The following shall be the events, as specified in Para B of Part A of Schedule III of the Listing Regulations 2015 and as may be amended from time to time, upon occurrence of which the Company shall make disclosures to the Stock Exchanges.

Schedule III, Para B of Part A	Provision
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 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