

MODERN INDIA LTD.



**MODERN<sup>®</sup>INDIA**  
E N T E R P R I S E  
228, MITTAL CHAMBERS  
NARIMAN POINT,  
MUMBAI 400 021.

P : + 91 22 6744 4200  
F : + 91 22 6744 4300  
E : [info@modernindia.co.in](mailto:info@modernindia.co.in)  
W : [www.modernindia.co.in](http://www.modernindia.co.in)

## MODERN INDIA LIMITED

### POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT OR INFORMATION

#### 1. Objective

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with SEBI’s Circular bearing reference CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015, the Board of Directors (the “**Board**”) of Modern India Limited ( “MIL” or “ the Company “) has adopted this Policy vide Circular Resolution dated 30<sup>TH</sup> November, 2015 of the Board of Directors of the Company for determination of materiality based on the criteria mentioned in the Listing Regulations (“**Material Information**”) such that required information can be promptly disclosed to the stock exchanges, as required under Listing Regulations.

**The Policy is effective from 1<sup>st</sup> December, 2015.**

#### 2. Definitions

In this policy unless the context otherwise requires

- a. “**Act**” means the Companies Act, 2013 and rules made there under, as amended from time to time.
- b. “**Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.
- c. “**Company**” means Modern India Limited.
- d. “**Policy**” means MIL – Materiality Policy as amended / modified from time to time.

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- e. “**Authorized Persons**” as stated under Clause 3 of the Policy.
- f. “**Board**” or “**Board of Directors**” shall mean the Board of Directors of Modern India Limited, as may be re-constituted from time to time.
- g. “**Financial Year**” shall have the same meaning ascribed to it under the Act.
- h. “**Material Information / event**” shall mean information / event as listed under Clause 5. Further Material Information / event shall mean information / event as listed under Clause 6 of this Policy subject to application of guidelines on materiality given under Regulation 30(4)(i) of Listing Regulations and exceeding of threshold limits stated under Clause 6A of this Policy.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the Listing Regulations shall have the same meaning assigned therein.

### 3. Authorized Persons

1. The materiality or otherwise, of an information or event in terms of the Listing Regulations will be determined by following Key Managerial Personnel of the Company in consultation with the concerned Department head, or the Vice President as the case may be as under

Shri Vijay Kumar Jatia, Chairman & Managing Director

Shri N K Deora, Sr Vice President and Chief Financial Officer

Shri Parind Badshah, Vice President & Company Secretary

**OR**

1. The materiality or otherwise, of an information or event in terms of the Listing Regulations will be determined by the committee comprising of Shri Vijay Kumar Jatia, Chairman &

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Managing Director, Shri Mudit Jatia, President, Shri Sidhant Jatia, President, Shri N. K Deora, Sr. Vice President & Chief Financial Officer and Shri Parind Badshah, Vice President & Company Secretary of the Company constituted under the Chairmanship of Shri Vijay Kumar Jatia, Chairman & Managing Director

2. The authorized persons will also decide the appropriate period / stage at which disclosure is to be filed with the stock exchanges and details that may be filed.

**4. The guidelines to ascertain materiality of an event or information (Regulation No.30 (4) (i) of the Listing Regulations) :**

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

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publically; 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 Company, the event / information is considered material.

(ii) Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information / event. In order to determine whether a particular

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event / information is material in nature, 'quantitative' and qualitative factors also as the case may be criteria will be applied.

In circumstances where 'quantitative' test may not be applicable or cannot be applied, a 'qualitative' or a 'subjective', criteria as under will be applied to determine materiality.

Authorized Persons as defined under Clause 3 above are authorized, in their absolute discretion, to revise the quantitative or qualitative materiality threshold specified under Clause 6.

## 5. Deemed material events or information

Events or information specified below will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.

**A.** 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;

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- (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 15 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/dispached;
  - 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).

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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;
- 6. The events or information which will be disclosed based on application of guidelines on materiality given under Regulation 30(4)(i) of Listing Regulations are as under :**

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- A.** The events / information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Clause 4 of this Policy and threshold limits stated below.

| Sl. No. | Event / Information  | Threshold  |
|---------|--|--|
| 1       | Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit / division.   | Impact exceeding 10% of Turnover of the Company as per the last audited balance sheet. |
| 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). | Impact exceeding 10% of Turnover of the Company as per the last audited balance sheet. |
| 3       | Capacity addition  | Impact exceeding 10% of Turnover of the Company as per the last audited balance sheet. |
| 4.      | Product launch   | Impact exceeding 10% of Turnover of the Company as per the last audited balance sheet. |
| 5       | Awarding, bagging/ receiving, amendment or   | Impact exceeding 10% of  |

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|    | termination of awarded / bagged orders / contracts not in the normal course of business.  | Turnover of the Company as per the last audited balance sheet.   |
| 6  | 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.   | Impact exceeding 10% of Turnover of the Company as per the last audited balance sheet.   |
| 7  | 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. | Estimated impact of 10% or more of the turnover of the Company as per the last audited balance sheet in case of disruption of operations due to natural calamity.  |
| 8  | Effect(s) arising out of change in the regulatory framework applicable to the listed entity   | Impact of 10% or more to the turnover as per the last audited Balance Sheet.   |
| 9  | Litigation(s) / dispute(s) / regulatory action(s) with impact.  | Outcome of litigation, dispute, and regulatory action is likely to have an impact of not less than 10% of the turnover as per the last audited balance sheet or 20% change in profit before tax of preceding financial year. |
| 10 | Fraud / defaults etc. by directors (other than key managerial personnel) or employees of listed entity  | As per limits prescribed under the Companies Act, 2013   |

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|     | <b>(against the Company).</b>  | from time to time.   |
| 11  | Options to purchase securities including any ESOP / ESPS Scheme.                                     | Exceeding 1% of the post issuance / allotment paid up share capital                        |
| 12  | Giving of guarantees or indemnity or becoming a surety for any third party.                          | Guarantees or indemnity or becoming surety for sum not less than INR 100 Crores.           |
| 13. | Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals. | Impact exceeding 10% of the turnover as per the last audited Balance Sheet of the Company. |

Notwithstanding anything stated above, the Authorized Persons may apply qualitative criteria for considering whether an event / information is material or not material in cases where aforementioned quantitative criteria cannot be ascertained / applied reasonably.

The Authorized Persons are authorized to revise the aforementioned pre-defined monetary value provided that the change shall not exceed 20% of such pre-defined monetary value.

**B.** 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

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a false market in such securities. Threshold : Impact exceeding 10% of Turnover of the Company as per the last audited balance sheet.

- C. Without prejudice to the generality of above, the Company may make disclosures of event / information as specified by the Board from time to time.

**7. Timing of disclosure**

All material events / information will be disclosed as promptly as practicable as per the provisions of Regulation 30 read with SEBI's Circular bearing reference CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015.

**8. General**

Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy until such time as this policy is changed to conform to the law, rule, regulation or standard.