

Isgec Heavy Engineering Limited
POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR
INFORMATION
(In pursuance to Regulations 30 of SEBI (Listing Obligations and
Disclosure Requirements Regulations, 2015)

Introduction

1. The Policy aims for disclosure of important and material events of the Company to the Stock Exchange where the equity shares of the Company are listed, in compliance with the provisions of the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Regulations”).
2. The Board, in its meeting held on January 30, 2016, approved this Policy for determination of materiality of events or information and disclosure thereof to the Stock Exchange.
3. The policy shall be effective immediately.

Policy:

- 4(i) The Company shall disclose to the Stock Exchange all events as specified in Annexure-I (except events specified in para 4 of Annexure-I) not later than 24 hours from the occurrence of the events or information. Disclosure in respect of events specified in para 4, shall be made within 30 minutes of the conclusion of the Board Meeting. In case there is delay in filing the disclosure, the Company will provide necessary explanation for the delay.
- 4(ii) The Company, in respect of events mentioned in Annexure-II, will make the disclosure, assessing the materiality on the basis of following guidelines:
 - (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;
- 4(iii) In case the guidelines mentioned in (a) and (b) of preceding paragraph are not applicable, the disclosure of various items will be made on the basis of following parameters:-

Item	Events	Basis of Materiality
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	10% of the gross revenue as per the Audited Financial Results of the preceding year.
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.	In case the order is more than Rs. 200 crore.
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.	In case the agreement is for more than Rs. 200 crore.
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.	10% of the gross revenue as per the Audited Financial Results of the preceding year.
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 listed entity.	Rs. 1 crore
10	Options to purchase securities including any ESOP/ESPS Scheme.	All
11	Giving of guarantees or indemnity or becoming a surety for any third party.	All guarantees of Rs. 10 crore and above (other than guarantees given for Subsidiary & Joint Venture Companies and guarantees in the normal course of business).
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	10% of the gross revenue as per the Audited Financial Results of the preceding year.

- 4(iv) The Company will also make disclosure on account of any major development that is likely to affect the business i.e. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc.

- 4(v) Disclosure with regard to all material events or information relating to subsidiary companies will also be made. As provided in the Regulation, the materiality with regard to events of subsidiaries has to be seen with reference to Company and the basis will be same, as mentioned above, with regard to events relating to the Company.
5. Mr. S.K. Khorana, Executive Director & Company Secretary, is authorized to make the disclosure under these Regulations to the Stock Exchange.

He will also be responsible to reply to any query raised by the Stock Exchange in respect of disclosure made by the Company in accordance with this Policy.

The contact details of Mr. S.K. Khorana are given below:-

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Annexure-I

Para	Events/ Information
1	<p>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.</p> <p>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 –</p> <p style="padding-left: 40px;">(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.</p>
2	<p>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.</p>
3	<p>Revision in Rating(s).</p>
4	<p>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:</p> <p style="padding-left: 40px;">(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 company from stock exchange(s).</p>
5	<p>Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement</p>

	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 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 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-II

Para	Events
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 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.