

GARWARE HI-TECH FILMS LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT OR INFORMATION

I. PREAMBLE:

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) mandates disclosure of any events or information which, in the opinion of the Board of Directors of the Company (the “Board”), is material. Regulation 30(4) of the SEBI Listing Regulations requires the Company to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein. Accordingly, Garware Hi-Tech Films Limited (Formerly known as Garware Polyester Limited) (the “Company”) has formulated this policy (“Policy”) in relation to determination of materiality of events or information for disclosure. This policy shall be known as ‘Determination of materiality of an event or information’.

II. PURPOSE:

The purpose of this policy is to ascertain the requirement of disclosure of events or information to stock exchange and defining criteria for determining materiality of events and information specified under clause (i) of sub-regulation (4) of Regulation 30 of the SEBI Listing Regulations.

III. DEFINITION:

“**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 Garware Hi-Tech Films Limited, as constituted from time to time.

“**Company**” means Garware Hi-Tech Films Limited .

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“**Policy**” means this Policy on Determination of Materiality of events and information and as may be amended from time to time.

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“Schedule” means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Regulations or any other applicable law or regulation to the extent applicable to the Company.

IV. 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 twenty-four (24) hours from the occurrence of such event or information in the following manner to:

- the stock exchange in which the securities of the Company are listed;
- upload on the website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

b. The Company shall make disclosure of events as specified in **Annexure B** based on application of guidelines/ criteria for determining Materiality as per clause V of the Policy.

c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

d. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.

e. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B,

but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

- f. All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

V. GUIDELINES/ CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION AND PROCEDURE FOR DISCLOSURE THEREOF:

The company shall consider the following criteria for determination of materiality of an event or information:

- a) Any information/ transaction/ agreement which may have value/ resultant value equivalent to 10% of turnover of the Company shall be considered as material and shall be disclosed to the Stock Exchange/ Regulators.
- b) Non-quantitative events based on its severity/ materiality shall be disclosed to the Stock Exchange/ Regulators.

VI. AUTHORITY TO KEY MANAGERIAL PERSONNEL:

The Board of directors of the Company has authorised jointly and severally Whole-Time Director, Chief Financial Officer and Company Secretary for the purpose of determining materiality of an events/information and for the purpose of making disclosures to stock exchanges under this regulation. Contact details of Whole-Time Director, Chief Financial Officer & Company Secretary have been disclosed to the stock exchange and also it is disseminated on the company's website.

VII. AMENDMENTS:

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

VIII. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations, Companies Act, 2013 or any other statutory

enactments, rules, the provisions of such SEBI Listing Regulations, Companies Act, 2013 or any other statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

IX. DISSEMINATION OF POLICY:

This Policy shall be hosted on the website of the Company.

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 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 credit rating(s).
 4. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange, 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 the 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. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed to the stock exchange as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 9. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchange:
 - a. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed to the stock exchange.
 - b. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
 - c. The confirmation as provided by the independent director above shall also be disclosed to the stock exchange along with the detailed reasons as specified in sub-clause (b) above.
 10. Appointment or discontinuation of share transfer agent.
 11. Corporate debt restructuring.
 12. One time settlement with a bank.
 13. Reference to BIFR and winding-up petition filed by any party / creditors.
 14. 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.

15. Proceedings of Annual and extraordinary general meetings of the listed entity.
16. Amendments to memorandum and articles of association of listed entity, in brief.
17. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;
18. Such other events as specified in Schedule III, Part: A and Para: A of SEBI Listing Regulations.

Annexure B:

Illustrative list of 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 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.
13. 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.