

P. N. GADGIL & SONS LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS AND/ INFORMATION

1) BACKGROUND AND APPLICABILITY OF THE POLICY:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require every listed company to disclose events or information which in the opinion of the Board of Directors of a Company, are material.

In this context, the following Policy has been framed by the Board of Directors ("Board") of P. N. Gadgil & Sons Limited at its meeting held on 24th October, 2018 with the objective of determining materiality of events.

This Policy will guide the Key Managerial Personnel [KMP] viz. Mr. Amit Yeshwant Modak, Whole Time Director and Chief Executive Officer, Mr. Aditya Amit Modak, Chief Financial Officer, Ms. Avanti Nikhil Gulavani, Company Secretary and Compliance officer to determine the materiality of an event or information as and when applicable, which will govern the framework of such disclosure.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of any definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and circulars made / issued thereunder, from time to time.

This policy can be modified and /or amended with the approval of the Board of Directors only.

In terms of Regulation 30 of the said Regulations, the events requiring disclosure by the Companies, are provided as follows:

- a. Events specified in Para A of Part A of schedule III of the Regulations shall be deemed to be material and the Company is required to make disclosure of the same.
- b. Events specified in Para B of Part A of Schedule III of the Regulations shall be disclosed by the Company based on the guidelines formulated by the Disclosure Committee

This policy shall also apply to the events which are not reflected in Para A or Para B of Part A of Schedule III but may have a material effect on the Company.

2) CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

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

- The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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; and
- In case where the criteria specified above are not applicable, an event / information may be treated as being material if in the opinion of the KMP of the Company, the event / information is considered material.

The Board of Directors of the Company have framed this policy for determination of materiality based on above criteria.

3) DELEGATION OF POWERS TO KEY MANAGERIAL PERSONNEL [KMP]:

The Board of Directors of the Company is ultimately responsible for ensuring that effective systems are in place to maintain compliance with the continuous disclosure obligations of the Listing Regulations.

The Board of Directors of the Company have authorized Mr. Amit Yeshwant Modak, CEO and Whole time Director (DIN:0039663), Mr. Aditya Amit Modak, Chief Financial Officer and Ms. Avanti Nikhil Gulavani, Company Secretary and Compliance Officer of the Company for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

The KMP shall be responsible for:

- Ensuring appropriate systems to verify and review potentially Material Information;
- Determining what information must be disclosed;
- Seeking supporting materials for verifying information, where necessary;
- Ensuring that all announcements to the Stock Exchanges are factual, complete, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the Material Information when making investment decisions; and
- Monitoring Company's compliance with continuous disclosure obligations.

Once the KMP determines that disclosure is required as per the provisions of Listing Regulations, an announcement will be made to the Stock Exchanges and shall be posted on the website of the Company.

Annexure A

(Same as Para A of Part A of Schedule III)

A. The 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;
 - (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: The listed entity shall disclose to the Stock Exchanges, within 30 minutes of the conclusion 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 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;

Annexure B

(Same as Para B and Para C of Part A of Schedule III)

- B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of Regulation (30):
 - i) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
 - ii) 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).
 - iii) Capacity addition or product launch.
 - iv) Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
 - v) 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.
 - vi) 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.
 - vii) Effect(s) arising out of change in the regulatory framework applicable to the listed entity
 - viii) Litigation(s)/dispute(s)/regulatory action(s) with impact.
 - ix) Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of listed entity.
 - x) Options to purchase securities including any ESOP/ESPS Scheme.
 - xi) Giving of guarantees or indemnity or becoming a surety for any third party.
 - xii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

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