



CYBELE INDUSTRIES LIMITED

POLICY ON

DETERMINATION OF MATERIALITY OF

EVENTS/ INFORMATION FOR DISCLOSURE

TO STOCK EXCHANGES

**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/
INFORMATION
FOR DISCLOSURE TO STOCK EXCHANGES**

1 PREFACE

- 1.1. The Board of Directors (the “Board”) of **Cybele Industries Limited** (the “Company”) has adopted the following policy (the “Policy”) and procedures with regard to determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”/ “SEBI LODR, 2015”/ “Listing Regulations”) This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.
- 1.2. This Policy will be applicable to the Company with effect from the date of Listing of the Company’s equity shares in National Stock Exchange Limited and Bombay Stock Exchange Limited and is in accordance with the terms of the Listing Regulations and the SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 (“SEBI Circular”).

2 SCOPE AND APPLICABILITY OF THE POLICY

This Policy is applicable to all disclosures and communications by the Company that must be made with regard to material events or information as stipulated under the Listing Regulations and this Policy.

3 POLICY OBJECTIVE

The objectives of this Policy are as follows:

- a) To ensure compliance with the disclosure obligations as stipulated in the Listing Regulations;
- b) To ensure the timely and transparent disclosure by the Company;
- c) To ensure that corporate documents and public statements are accurate and contain no misrepresentation;
- d) To communicate the principles of materiality based on which the Company shall make disclosures of events or information;
- e) To provide a framework that fosters confidence in quality and integrity of information released by the Company;
- f) To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

4 DEFINITIONS

- 4.1. **Board of Directors or Board** means the Board of Directors of Cybele Industries Limited, as constituted from time to time.
- 4.2. **Company** means Cybele Industries Limited.
- 4.3. **Independent Director** means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI's LODR, 2015 entered into with the stock exchanges.
- 4.4. **Policy** means this Policy on Determination of Materiality of Events/Information for Disclosure to Stock Exchanges.
- 4.5. **Deemed Material Events** are the events/information specified in Para A of Part A of Schedule III, as set out in Exhibit I to this Policy to be disclosed in the manner provided therein.
- 4.6. **Guideline Based Material Events** are the events/information listed in Para B of Part A of Schedule III to the Listing Regulations, as set out in Exhibit II to this Policy to be disclosed in the manner provided therein.
- 4.7. **Material Information** means information related to the Company's business, operations, or performance which has significant effect on securities investment decisions.
- 4.8. **Listing Regulations** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.9. **Key Managerial Personnel (KMP)** of the Company includes Executive Chairman, Managing Director, Chief Financial Officer and the Company Secretary, who may be authorized individually or collectively to disclose events to Stock Exchange(s).
- 4.10. All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI's LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

5 TYPES OF MATERIAL INFORMATION

- 5.1. The Material Information covered under this Policy shall be determined and disclosed by the Company in the manner set forth in this Policy.
- 5.2. Disclosure of Guideline Based Material Events shall be made if considered material based on the application of the guidelines for materiality as specified under Clause 6 below.

- 5.3. Deemed Material Events shall be disclosed by the Company mandatorily without the application of any test of materiality.
- 5.4. Other Material Information which constitutes major development that is likely to affect the business of the Company (such as emergence of new technologies, expiry of patents, change in accounting policy having significant impact on accounts, etc.) shall be disclosed along with brief details thereof and any other information known exclusively to the Company which may be necessary to enable holders of securities of the Company to appraise its position and to avoid establishment of false market in such securities.
- 5.5. Any other Material Information that does not fall under the categories mentioned in Clauses 5.2, 5.3 and 5.4 shall be disclosed as specified by the Board of Directors of the Company from time to time in keeping with the guidelines stipulated in Clause 6.

6 CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

- 6.1. Materiality shall be determined on a case to case basis depending on the facts and circumstances pertaining to the relevant Material Information.
- 6.2. The following qualitative criteria ("Qualitative Criteria") shall be applied for the determination of materiality of events or information:
- a) The omission of an event or information which is likely to:
 - i. Result in discontinuity or alteration of an event or information already available publicly; or
 - ii. Result in significant market reaction if the said omission came to light at a later date.
 - b) In situations where the criteria specified in sub-clauses (a) (i) and (a) (ii) are not applicable, an event/information may be treated as being material if the event / information is considered material in the opinion of the Board of Directors of the Company.
- 6.3. The materiality threshold of Rs. For the financial year 2018-19 and 20% of the consolidated revenues of the last audited financial results, shall be applied for the determination of materiality of events or information:
- 6.4. The Quantitative Criteria shall be read in conjunction with the Qualitative Criteria for determining materiality and arriving at a final decision on the Material Information to be reported.
- 6.5. The following criteria shall be considered in addition to the criteria for determination of the materiality thresholds as stipulated in Clauses 6.1 to 6.4:

- a) Assessment of materiality at the level of each individual disclosure requirement and, where relevant, on an aggregate basis;
- b) Additional considerations to be taken into account by the Company when considered plausible and objectively reasonable.

7 AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

- 7.1. The KMP are severally authorized by the Board of Directors of the Company to determine the materiality of an event or information and to make appropriate disclosures to Stock Exchange(s) under the Listing Regulations on a timely basis, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.
- 7.2. The KMP are empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- 7.3. The members of the KMP are jointly and/ or severally authorized to suo moto accept/ deny any report, event or information, which has been made public by the media in an unauthorized manner, or by any other means including but not limited to electronic means. The KMP are further authorized to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the KMP shall, however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.
- 7.4. The KMP shall have the following powers and responsibilities for determining the material events or information:
 - a) To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time;
 - b) To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information;
 - c) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations;
 - d) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters;
 - e) To disclose all Material Information with respect to Subsidiaries.

8 PROMPT DISCLOSURE OF MATERIAL EVENTS OR INFORMATION

The Company shall furnish material events or information to all stakeholders on a continuous and immediate basis. The Company Secretary shall coordinate the dissemination of information to all stakeholders.

9 COMPLIANCE OFFICER

The Compliance Officer for the purpose of complying with the provisions of the Listing Regulations shall be the Company Secretary of the Company.

10 WEBSITE UPDATION/ UPDATES TO STOCK EXCHANGE(S):

- 10.1 The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under the Listing Regulations and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter archived as per the Policy for Preservation of Documents (including Archival Policy) of the Company.
- 10.2 The Compliance Officer of the Company, with respect to the disclosure of any material event/ information already made to the Stock Exchange(s), shall make disclosures updating material developments on a regular basis till such time the event is resolved/ closed, with relevant explanations to the Board of Directors and to the Stock Exchange(s). Such updates shall also be hosted on the website of the Company.
- 10.3 The Compliance Officer shall provide specific and adequate reply to all the queries raised by the Stock Exchange(s) with respect to any event or information.

11 POLICY REVIEW

This policy shall be subject to review by the KMP as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to the Policy.

12 CONTACT DETAILS

The contact details of the persons authorised to determine materiality of events under this Policy are –

Mr. P.A. Joy Kutty

Managing Director

Contact Number: 044 26254366

Email id: corporate@cybele.co.in

Mr. Thomas P. Joy

Executive Director

Contact Number: 044 26254366

Email id: corporate@cybele.co.in

EXHIBIT – I

MATERIAL INFORMATION LISTED IN PARA A OF PART A OF SCHEDULE III OF THE LISTING REGULATIONS

Deemed Material Events which shall be disclosed in accordance with the SEBI Circular without any application of the guidelines for materiality as specified in Clause 6 of the Policy:

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.

Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean-

- a) acquiring control, whether directly or indirectly; or,
 - b) acquiring or agreeing to acquire shares or voting rights in a company, whether directly or indirectly, such that –
 - i. the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - ii. there has been a change in holding from the last disclosure made under sub- clause (i) of clause (b) 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 Company shall disclose to the Exchange(s), 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 Company 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 Company, 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 Company, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

Note: If the Management is not in a position to disclose to the Stock Exchange(s) within 24 hours of the occurrence of the event or information, then it shall inform the Stock Exchange(s) as soon as it is possible with an explanation as to reason for delay in disclosing the said event or information.

EXHIBIT – II

MATERIAL INFORMATION LISTED IN PARA B OF PART A OF SCHEDULE III OF THE LISTING REGULATIONS READ WITH THE SEBI CIRCULAR

Guideline Based Material Events which shall be disclosed in accordance with the SEBI Circular after application of the guidelines for materiality as specified in Clause 6 of the Policy:

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.

