



FIEM INDUSTRIES LIMITED

POLICY FOR DETERMINATION OF MATERIAL INFORMATION

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1. Background & Legal Framework

- 1.1 Adequate and timely disclosure as well as dissemination of information relating to a listed company enables the shareholders and investor community to take informed decision. Hence, listed entities are under great responsibility to make timely and adequate disclosures.
- 1.2 Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) enlists the principles governing disclosures and obligations as under:
 - 1.2.1 The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.
 - 1.2.2 The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
 - 1.2.3 Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.
- 1.3 Regulation 30 of SEBI LODR Regulations governs the disclosure of material information/events by a listed company to the Stock Exchanges where securities of the Company are listed. It also provides detailed provisions for all related aspects and guiding principles to determine whether the information / event are material or not. The relevant provisions of Regulation 30 are referred at appropriate place in this policy.
- 1.4 Regulation 30(1) provides that every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.
- 1.5 ***Regulation 30(4)(ii) provides that the listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.***

In compliance of above regulation, this policy is formulated.

2. Objective and Scope

- 2.1 Determination of materiality of any event and information about the Company with in scope of Regulation 30 of SEBI LODR Regulations and adequate & timely disclosure to the Stock Exchanges and posting of such events and information on the website as per the Archival Policy of the Company.

3. Definitions

- 3.1 “**Key Managerial Personnel (KMPs)**” means Chairman & Managing Director, Chief Financial Officer and Company Secretary of the Company.
- 3.2 “**Authorised Key Managerial Personnel**” means KMPs authorised by the board of directors of the Company under Regulation 30(5) 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. Chairman & Managing Director, Chief Financial Officer and Company Secretary of the Company are authorised KMPs under Regulation 30(5). The contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the website of the Company.
- 3.3 “**Board**” means the Board of Directors of the Company.
- 3.4 “**Company**” means the “Fiem Industries Limited” / “FIEM”.
- 3.5 All other words, terms and phrases referred and not defined herein, shall have the same meaning as defined under the Regulation.

4. Determination of Material Information / Event

- 4.1 Regulation 30 read with Schedule III and Circular No. CIR/CFD/CMD/4/ 2015 dated September 09, 2015 provides the basic framework in determination of materiality of an information or event. Relevant clauses of Regulation 30 are referred hereunder:
- 4.2 **Regulation 30(2)** provides that events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.
- 4.3 **Regulation 30(3)** provides that the listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).
- 4.4 **Regulation 30(4)** provides as under:
- (i) The listed entity 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 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;
 - (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 listed entity, the event / information is considered material.

4.5 **Regulation 30(12) provides** that in case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

4.6 **Relevant portion (Part-A) of Schedule III is enclosed as Annexure-1.**

4.7 **Considering above provisions and principals, the authorised KMPs of the Company will jointly and severally determine which information / events of the company are material information within the meaning of Regulation 30 of SEBI LODR Regulations and would accordingly make disclosure as provided under Regulation.**

5. **Disclosure and Dissemination of Material Information / Event**

5.1 **Regulation 30(6)** provides that the listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

a. Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:

b. Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

5.2 **Regulation 30(7)** provides that the listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

5.3 **Regulation 30(8)** provides that the listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

5.4 **Regulation 30(9)** provides that the listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

5.5 **Regulation 30(10)** provides that the listed entity shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

5.6 **Regulation 30(11)** provides that the listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

5.7 **Considering above provisions and principals, the Company Secretary of the Company will make timely and adequate disclosure of material information / events within the meaning of Regulation 30 of SEBI LODR Regulations.**

6. Review and Amendment of the Policy

- 6.1 In case of any subsequent changes in the Regulation or any other applicable rules or regulations which makes any of the provisions in the policy inconsistent with the Regulation, the provisions of the regulation would prevail over the Policy with effect from their enforcement and the Policy would be modified in due course to make it consistent with the amended laws.
- 6.2 This Policy may be reviewed as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Company. Any changes or modification on the Policy would be approved by the Board of Directors of the Company. However, typographical corrections and minor incidental changes may be carried out by authorised KMPs of the Company.

Annexure- 1**SCHEDULE- III****PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED
SECURITIES – EQUITY SHARES****[See Regulation 30]**

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

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;
 - (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 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 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;

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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.
- C. 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.**
- D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.**