

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

OF

OSIAJEE TEXTFAB LIMITED

Legal Framework

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 issued by the Securities and Exchange Board of India requires every listed Company to formulate Policy for Determination of Materiality of Events provides a framework for determining materiality of events/price sensitive information for the purpose of making prompt disclosure to the Stock Exchanges on happening of such events/ gaining knowledge of price sensitive information.

Accordingly, the Board of Directors has adopted this Policy in its meeting held on 10th February, 2016 and shall be applicable to the Company effective from 11th February 2016.

Objective

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or price sensitive information are made available to the Stock Exchanges where the securities of the Company are listed for their dissemination. The said disclosures can be relied upon by the Investors enabling them to take well informed investment decisions and avoiding false market speculations. Also such timely disclosures will allow the investors to know the various developments happening in the Company likely to affect the business of the Company.

Definitions

“**Act**” means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable;

“**Board of Directors**” or “**Board**” means the Board of Directors of Osiajee Textfab Limited, as constituted/re-constituted from time to time;

“**Company**” means Osiajee Textfab Limited;

“**Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

“**Policy**” or “**this Policy**” means Policy for Determination of Materiality of Events;

“**Stock Exchanges**” means the Ahmedabad Stock Exchange Ltd where the Company’s shares are listed;

“**SEBI**” means Securities & Exchange Board of India.

Criteria for Determining Materiality of Events or Price Sensitive Information

Events / information shall be considered as Material if it meets any of the following criteria:

- a) the event or information is in any manner unpublished price sensitive information;
- b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- c) 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
- d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

Timeframe for Disclosure

In accordance with the new Regulations, disclosures as specified in Part A of Schedule III thereof shall be made to the Stock Exchanges within 24 hours from the occurrence of information or event (except certain events arising out of the Meetings of the Board of Directors mentioned in sub-para 4 of Para A of Part A of Schedule III, which are required to be disclosed to the Exchange(s) within 30 minutes of the conclusion of the Board Meeting).

Authority to determine materiality

The Key Managerial Personnel of the Company are severally authorised for determining materiality of event/information as specified in Annexure II of this Policy. The Compliance Officer of the Company is authorised for disclosing such material events/information to the stock exchange(s).

Disclosure of Events/Information to Stock Exchange

The events/ information, the disclosures of which are required to be made to the Stock Exchanges have been classified in two categories, viz., (i) Events / information which shall be disclosed irrespective of materiality (as specified in Para A of Part A of Schedule III of the Regulations) and (ii) Events / information which shall be disclosed upon application of the guidelines for materiality (as specified in Para B of Part A of Schedule III of the Regulations) which has been listed at Annexure of this Policy.

Review and Amendment

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the Statutory Provisions and remains effective. The Managing Director of the Company shall review the policy periodically and amend the same, if deemed necessary.

ANNEXURE

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.
