

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

**[Pursuant to Regulation 30 of the Securities
and Exchange Board of India (Listing
Obligation and Disclosure Requirements)
Regulations, 2015]**

(Adopted on 20.10.2015)

I. PREAMBLE:-

The Securities and Exchange Board of India (SEBI) has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on 2nd September 2015 which will be effective from 1st December 2015.

This Policy has been framed in accordance with the requirements of the Regulation 30 of the said Listing Regulations to provide a framework for determining materiality of events or information of the Company.

II. DEFINITIONS:

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the meaning given in the Listing Regulations:

- a. **"Board of Directors"** or **"Board"** means the Board of Directors of Aro granite industries ltd. (including duly authorized committee thereof), as constituted from time to time.
- b. **"Company"** means Aro granite industries ltd.
- c. **"Companies Act"** shall mean Companies Act 2013 as amended, modified, supplemented or re-enacted from time to time and shall include any applicable provisions of Companies Act 1956 which have not been suspended by the relevant provisions of the Companies Act 2013 as on the relevant date.
- d. **"Listing Agreement"** shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015.
- e. **"Material Event"** or **"Material Information"** shall mean such event or information as set out in this Policy or as may be determined in terms of Clause III of this Policy. In this Policy, the words, "material" and "materiality" shall be construed accordingly.
- f. **"Stock Exchange"** shall mean the stock exchange(s) on which the securities of the Company are listed.
- g. **"Key Managerial Personnel"** shall have the same meaning as assigned to it in the Companies Act 2013.

III. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

- a. Events or information specified in Para A of Part A of Schedule III shall be deemed to be material.
- b. In respect of events or information specified in Para B of Part A of Schedule III, the following criteria shall be applied, for determination of materiality:-
 - (i). **Qualitative criteria:** The events or information which meets any of the following criteria shall be considered material:
 - (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available in public; 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 or information may be treated as material if in the opinion of the Board of Directors of the Company, the event/information is considered material.
 - (ii). **Quantitative criteria:** A transaction shall be considered material if the transaction to be entered into exceeds ten percent of the annual turnover of the Company as per the last audited financial statements of the Company.

Note: In the circumstances where 'qualitative' test may not be applicable, 'quantitative' test to be applied to determine materiality.

- c. Any 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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

IV. DISCLOSURES OF EVENTS OR INFORMATION

- a. The Company shall disclose to the stock exchange(s) all the events or information as specified in the Listing Regulations.
- b. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- c. 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.
- d. The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company

V. AUTHORISATION OF KEY MANAGERIAL PERSONNEL

The Managing Director, Company Secretary and Chief Financial Officer have been severally authorised to determine materiality of any event or information and to ensure disclosures of the same to stock exchange, subject to the provisions of this Policy.

VI. POWER TO AMEND THE POLICY

The Policy may be amended from time to time by the Board.

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