

BALRAMPUR CHINI MILLS LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

1.0 Background

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). These Regulations shall come into force w.e.f. December 1, 2015. The Listing Regulations are applicable to all listed entities.

Regulation 30(4)(ii) of the Listing Regulations requires every listed entity to have a policy, approved by its board of directors, for determination of materiality for making disclosures of events / information.

2.0 Effective date

This policy has been approved by the Board of Directors of the Company and shall come into effect from December 1, 2015.

3.0 Definitions and interpretations

'Board' shall mean the Board of Directors of the Company.

'Company' shall mean 'Balrampur Chini Mills Ltd.'

Unless the context otherwise requires, words or expressions contained in this Policy and not defined here, shall bear the same meaning as in the Listing Regulations and in absence of its definition / explanation / meaning therein, as per the Companies Act, 2013 (including Rules made thereunder), as the case may be.

Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

4.0 Objective

The Company is a listed entity and is obligated to comply with the disclosure requirements under the Listing Regulations.

The Objective of this policy is to lay down the criteria for determination of materiality of events / information which shall be disclosed to the Stock Exchanges where the equity shares of the Company are listed ("the Stock Exchanges"). This policy also lays down the procedure for archival of information on the website of the Company.

5.0 Basic Principles

This Policy is based on the following basic principles:

Materiality: To ensure that all material events / information become public or made generally available.

Timeliness: To make disclosure of material events / information promptly without delay in accordance with the Policy following the material events / information that warrant disclosure.

Transparency: To make disclosure of material events / information with sufficient details that boosts investor confidence.



6.0 Material Events / Information and Criteria

Events specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events and the Company shall make disclosure of such events without application of any materiality criteria.

Events / information as are mentioned in Para B of Part A of Schedule III of the Listing Regulations shall be disclosed by the Company to the Stock Exchanges, if considered material, based on any of the following criteria:

a) Quantitative Materiality Thresholds: Where the value involved in an event or the impact of an event exceeds 5% of the gross turnover or revenue or total income; or exceeds 20% of the networth, whichever is lower.

Note: Above thresholds shall be determined on the basis of audited consolidated financial statements of last financial year. If for the last financial year, the Company was not required to prepare consolidated financial statements, then the threshold shall be determined on the basis of audited standalone financial statements of last financial year.

b) Qualitative Materiality Criteria: Where the omission of disclosure of such event or information is likely to result in discontinuity or alteration of event / information already available publicly or result in significant market reaction, if the said omission became public at a later date.

Note: Breaching of circuit limit shall be considered as significant market reaction.

c) Board Decision: An event / information if treated as material in the opinion of the Board.

Events / information with respect to subsidiaries which are material for the Company shall also be disclosed to the Stock Exchanges.

The Company shall also disclose to the Stock Exchanges -

- i. Any other event / information 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 security holders of the Company to appraise its position and to avoid the establishment of a false market in such securities.
- ii. Any other event / information which is available with the Company and not indicated in Para A or B of Part A of Schedule III of the Listing Regulations, but which may have material effect on it.

7.0 Contents and time for disclosure

Disclosures shall be made upon occurrence of a material event / information. The time for disclosure shall be in accordance with the Listing Regulations and other relevant SEBI Circulars. The Company shall provide such details while making a disclosure of events / information as are mentioned in the circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 issued by SEBI along with such other details as may be required by SEBI / the Stock Exchanges from time to time or as may be prescribed under the Listing Regulations.



8.0 Authority

The Company Secretary of the Company appointed in terms of the Companies Act, 2013, is authorised to determine the materiality of an event or information based on criteria mentioned in this policy and is also authorised to make the necessary disclosures to the Stock Exchanges under Regulation 30 of the Listing Regulations.

Where the Company Secretary / the Board are not certain about materiality of an event/information, they may refer the matter for an external legal advice / expert opinion.

The specific roles and responsibilities of the Company Secretary under this Policy include the following:

- a) Ensuring compliance with the Policy and taking corrective actions for violations of the Policy;
- b) Determining whether any event / information is material, including if there has been material changes since the last disclosure, and determining time and adequacy of disclosures to made, if such event/ information is material.
- c) Making necessary disclosures to the Stock Exchanges with requisite details.

The Key Managerial Personnel of the Company are severally authorised (suo moto or on request of any stock exchange) to confirm / deny any reported event / information to the Stock Exchanges.

9.0 Disclosure

The Company shall simultaneously disclose on its website (www.chini.com) all such events or information which has been disclosed to the Stock Exchanges under this Policy or under the Listing Regulations, and such disclosures shall remain hosted on the website of the Company for a minimum period of five years and thereafter as per the following archival policy of the Company:

Archival Policy – Disclosures pertaining last five financial years and current financial year shall remain hosted on the website for easy viewing / printing, preferably under different urls (Uniform Resource Locator). Thereafter depending upon the nature, materiality, impact and relevance of the event / information, the relevant disclosure can continue to remain hosted on the Company's website for a longer period of time as may be decided by the Company Secretary from time to time. All other disclosures beyond the said period may be placed under a single consolidated url.

10.0 Review

The Board may review this Policy as and when it deems appropriate. This Policy is being formulated keeping in mind the applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, allowing or relaxing what was previously not allowed under any laws, rule, regulation and standards, then this policy shall be deemed to have been amended to the extent of such amendment. Also, if due to subsequent amendment in the laws, this policy or any part hereof becomes inconsistent with the law, the provisions of law shall prevail and this policy shall be deemed to be amended to that extent.

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