

## **The Phoenix Mills Policy for Determination of Materiality of Events or Information, 2016**

### **1. Preamble**

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, which shall be duly approved by its board of directors and shall be disclosed on its website. In accordance with the regulatory requirements, the Board in its meeting held on February 11, 2016 has approved a policy in the name of ‘The Phoenix Mills Policy for Determination of Materiality of Events or Information, 2016 (hereinafter referred to as ‘The Policy’). The Policy is aimed at providing guidelines to the management of the Company, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s). The Policy shall come into effect from the date of its adoption by the Board of Directors of the Phoenix Mills Limited.

### **2. Definitions**

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of The Phoenix Mills Limited, as constituted from time to time.

“**Company**” means the Phoenix Mills Limited.

“**Key Managerial Personnel**” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“**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

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“**Material Subsidiary**” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

“**Policy**” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

**“Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

**"Schedule"** means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

### **3. Guidelines for Determining Materiality Of Events Or Information**

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. The primary approach for determining materiality shall be qualitative. The quantitative criteria referred to in the Policy shall be used as a reference point for determining materiality and shall be at the decision and discretion of the Board.

The Company shall disclose all such material events specified in Para B of Part A of Schedule III of the Listing Regulations subject to the application of criteria for materiality as given below.

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

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (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; and
- (c) any other event/information relating to the Company and/or its subsidiaries which is treated as being material in the opinion of the Board of Directors of the Company.
- (d) If in the opinion of the Board, the consideration involved in a transaction as a percentage of PML's revenue or total assets is material;
- (e) In case of options to purchase securities including any ESOP/ESPS Scheme amounting to 2% of the post-issue equity share capital.

The above threshold shall be determined on the basis of the last annual audited consolidated financial statements of the Company.

### **4. Disclosure and Dissemination of Information**

**I. The following information/event shall be disclosed to the stock exchanges any time after the decision is taken or approval is granted but no later than 30 minutes from the conclusion of the meeting of the Board of Directors:**

1. 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;
2. Any cancellation of dividend with reasons thereof;
3. Decision on buyback of securities;
4. Decision with respect to fund raising proposed to be undertaken
5. Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
6. 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;
7. Short particulars of any other alterations of capital, including calls;
8. Financial results;
9. Decision on voluntary delisting by the Company from stock exchange(s).

**II. The following information/event shall be disclosed to the stock exchanges as soon as possible but not later than 24 hours of the occurrence of the event/information:**

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. - '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 Company 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 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 credit rating(s);
  4. 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;
  5. Fraud/defaults by Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or Promoter;

6. 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.

**III. The following information/event shall be disclosed to the stock exchanges as soon as possible but not later than 24 hours of the occurrence of the event/information after applying the quantitative and qualitative criteria as provided in Clause 3 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 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.
5. **Authorize Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange**

In terms Regulation 30(5) of the Regulations, the following KMPs are hereby severally authorized by the Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) (“**Authorized Person(s)**”):

- a. Joint Managing Director
- b. Chief Financial Officer

The materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

In case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company’s website.

## **6. Amendments**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## **7. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **8. Dissemination of Policy**

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company’s intranet.

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