

Standard Shoe Sole and Mould India Limited

Policy for determining Materiality of Events

BACKGROUND AND APPLICABILITY OF THE POLICY

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified on September 2, 2015.

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) requires every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company are material.

In this context, the following policy has been framed by the Board of Directors (“Board”) of Standard Shoe Sole and Mould India Limited (“SSSMIL”/ “Company”) at its meeting held on 1st October, 2015 with the objective of determining materiality of events. The Board shall review, and if found required, may amend this Policy from time to time.

This Policy will be applicable to the Company effective 1st December, 2015.

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 information are made to the investor community, stock exchanges, or relevant authorities, if any by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

INTRODUCTION

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

“Board of Directors” means the Board of Directors of the Company.

“Company” or “SSSMIL” means Standard Shoe Sole and Mould India Limited.

“Key Managerial Personnel” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

“Listing Regulations” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Policy” means this policy, as amended from time to time.

“SEBI” means the Securities and Exchange Board of India.

“Rules” means the rules made under the Companies Act, 2013.

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“Stock Exchange(s)” means BSE Limited and the Stock Exchange where the equity shares of the Company are listed.

All other words and expression used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts(Regulations) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respective assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

1. Regulation 30 of the Regulations mandates disclosure of all deemed material events to the Stock Exchanges. These events have been specified in Para A of Part A of Schedule III of the Regulations and shall be disclosed as applicable from time-to-time.
2. For disclosure of certain events (as specified in Para B of Part A of Schedule III) to the Stock Exchanges the following criteria shall be considered by the Board for determining whether the events are material or not:-

Where the omission of an event or information, is likely to result in:

- a. discontinuity or alteration of event or information already available publicly or
- b. a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events based on qualitative criteria as stated in points a) and b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below. This Policy shall also apply to the events to which neither Para A or Para B of Part A of Schedule III applies but have a material effect on SSSMIL

MATERIALITY CRITERIA

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.

The qualitative (as stated in points a and b) and quantitative criteria shall apply to events specified in Para B of Part A of Schedule III of the SEBI Regulations only. (reproduced as an Annexure to this Policy). The following will be the materiality criteria:

Quantitative Criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- (a) exceeds ten per cent of the consolidated gross turnover, or
- (b) exceeds ten per cent of the consolidated net worth; whichever is lower.

Qualitative criteria would mean an event/ information:

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(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; or

(c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material

ANY OTHER INFORMATION/ EVENT WHICH IS TO BE DISCLOSED

The Company shall disclose major developments that are likely to affect business, e.g. commencement of new operations, introduction of new products or services, 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.

GUIDELINES FOR OCCURRENCE OF AN EVENT

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

(a) depends upon the stage of discussion, negotiation or approval; and

(b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under (a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under (b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company

The materiality of events outlined above are 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

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regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

DISCLOSURE PROCESS

1. Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Chairman/Whole Time Director/Chief Financial Officer of the Company on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer & Whole Time Director.
2. The Chairman, the Whole Time Director Director and the Chief Financial Officer of the Company shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
3. After evaluation, any one of the above mentioned persons shall make disclosure to the Stock Exchanges.
4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.
7. All disclosures shall be available on the website of the Company for a period of 5 years.

MODIFICATION/AMENDMENTS TO THE POLICY

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. In case of any subsequent amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail.

The Policy shall be reviewed by the Audit Committee and on recommendations shall be modified by the Board so as to align the same with the amendments or to incorporate the changes as may be felt appropriate by the Audit Committee.

The list of events in Annexure, as it stands today may be updated, from time to time, by authorised persons, to reflect any changes to the Regulations and the updated version be issued and published as necessary, without any requirement for approval from the Audit Committee or the Board.

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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.

DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company

Annexure
(Same as Para B of Part A of Schedule III)

Events which shall be disclosed upon application of materiality thresholds as set out in point II after the application of Qualitative test set out above:

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 Company 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 GCPL.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
10. Fraud/defaults etc., by directors (other than key managerial personnel) or employees of GCPL.
11. Options to purchase securities including any ESOP/ESPS Scheme. 12. Giving of guarantees or indemnity or becoming a surety for any third party.