

ATLAS JEWELLERY INDIA LIMITED (AJIL)

**POLICY ON DETERMINATION OF MATERIALITY FOR
DISCLOSURE(S) [MDP]**

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1. Introduction

Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as “**SEBI (LODR) Regulations 2015**” or “**The Regulations**”] on September 2, 2015 effective 1st December 2015 for the purpose of conversion of existing listing agreements into a single comprehensive regulation for various types of listed entities.

Further Regulation 30 of SEBI (LODR) Regulations 2015 mandates that every listed entity shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed company, is material.

The Regulations also mandate the Company to frame a policy for determination of materiality, based on the criteria mentioned in this sub-regulation duly approved by its Board of Directors, for disclosure of specified events.

2. AJIL- LODR MDP Policy and its Objective

In view of the requirements as stated in Regulation 30 “Disclosure of Events or Information” and further adhering to the “Principles governing disclosures and obligations” as laid down in Regulation 4 ATLAS Jewellery India Limited (“**the Company**” or “**AJIL**”) has framed this policy to be called hereinafter as AJIL-Materiality Disclosure Policy (**AJIL_LODR-MDP**).

This policy applies in respect of disclosures of material events or information occurring within AJIL. This policy is in addition to, and does not derogate from, AJIL’s Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

3. Key Definitions

3.1 **Act**

Act shall mean the Securities and Exchange Board of India Act, 1992.

3.2 **Board of Directors**

Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

3.3 **Company**

“Company” means ATLAS Jewellery India Limited (**AJIL**).

3.4 Key Managerial Personnel

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

3.5 Compliance Officer

Compliance Officer means the Company Secretary of the Company or any other qualified Company Secretary appointed by the Board from time to time as the Compliance Officer for ensuring compliance of SEBI (LODR) Regulations 2015.

3.6 Disclosure Officers/s

Disclosure Officer/ s means the Authorised Key Managerial Personnel (**AKMP**) of the Company and any other qualified Company Secretary appointed by the Board from time to time as the Compliance Officer for ensuring compliance of SEBI (LODR) Regulations 2015 who are authorised, individually or jointly, for determining the materiality of an event or information that qualifies for disclosure and to decide the appropriate time and details of its disclosure to be made to the Stock Exchange(s).

3.7 Material Event

Material Events means the individual transaction, arrangement or information which, in the opinion of the Disclosure Officers is “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the security. Either positive or negative information may be material.

3.8 Price Sensitive Information

“Price-sensitive information” means any information which relates, directly or indirectly, to the Company and includes Unpublished price sensitive information listed under sub clause 2(10) of the AJIL- Code of Conduct to Regulate, Monitor & Report Trading by Insiders and that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company. Some examples of information which would normally be regarded as “material” include the following, although the list is not exhaustive:-

- Financial conditions, projections or forecasts;
- Known but unannounced future earnings or losses;
- Significant corporate events, such as pending or proposed acquisitions, joint ventures, etc.;
- Plans to launch new products or services , or significant product defects;
- Significant developments involving business relationships with customers;
- The status of the Company's progress towards achieving significant goals;
- Events regarding the Company's securities (such as buy back plans, stock splits, changes to the rights of security holders ; public or private sales of additional securities or information related to any additional funding);
- Bankruptcies, receiverships or financial liquidity problems;
- Pricing changes;
- Positive or negative developments in outstanding litigation, investigations or regulatory matters;

3.9 Policy or This Policy

Policy or this policy means "Policy on Determination of Materiality for Disclosure(S)"- (AJIL_LODR-MDP).

4. Interpretation

Terms that have not been defined in this policy shall have the same meaning assigned to them in the SEBI (LODR) Regulations or the SEBI Act , the Securities Contract (Regulation) Act 1956, the Depositories Act, 1996, the Companies Act 2013 and / or the rules and regulations made thereunder as amended from time to time.

5. Reporting and Disclosures

Regulation 30 of SEBI [LODR] Regulations, 2015, have categorised material events and information which will have bearing on the performance/operations of the Company. The disclosures of event s and information which the Company shall make to the Stock Exchange(s) as broadly categorised under these Regulations are as under –

- (i) Events in category A shall be disclosed to Stock Exchanges without any application of the guidelines for materiality i.e. these are mandatorily to be disclosed irrespective of the extent of happening of event. These events are as specified by SEBI in Para A of Part A of Schedule III of the SEBI (LODR) Regulations 2015 .

- (ii) Events that have been provided in category B shall be disclosed to Stock Exchanges upon application of the guidelines for materiality to be determined by the Disclosure Officer/s on the basis of criteria as mentioned in Regulation 30 (4). These events as specified by SEBI in Para B of Part A of Schedule III of the SEBI (LODR) Regulations 2015 .
- (iii) Any other material event or information as per Category C, which have not been covered under category A & Category B, shall also be disclosed to the Stock Exchanges upon application of guidelines for materiality to be determined by the Disclosure Officer/s on the basis of criteria as mentioned in Regulation 30 (4). Other events as specified by SEBI in Para C of Part A of Schedule III.
- (iv) Any other events/information concerning the Company as specified by the Stock Exchange (s) from time to time under Para D of Part A of Schedule III of the SEBI (LODR) Regulations 2015.

SEBI has also specified the information that needs to be provided whilst disclosing events mentioned in Annexures 'A' and 'B', which is provided alongside each event/information in this Policy. In case, the Company does not disclose any such specified details, it shall state appropriate reasoning for the same as part of the disclosure.

6. General Guidelines for Disclosure Officials & Audit Committee Chairman

- 6.1 Disclosure Officer/s shall determine materiality of an event or information for disclosure pursuant to Regulation 30(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments or modifications thereto and
- 6.2 The Company Secretary/ Compliance Officer, as the case may be shall be the custodian of the disclosure process.
- 6.3 The Managing Director and Company Secretary of the Company , in consultation with the Compliance Officer (if any) and other Key Managerial Personnel shall have the authority to make materiality and distribution determination covered by this Policy with respect to the information disclosed about the Company.
- 6.4 The Managing Director and Company Secretary of the Company in each case, together with the Key Managerial Personnel and Compliance Officer have the authority to interpret and enforce this policy.

- 6.5 All questions about this Policy shall be directed to the Company Secretary of the Company and the Compliance Officer (if any).
- 6.6 The Managing Director and Company Secretary in each case, together with the Compliance Officer (if any) may pre-approve any deviation from the policies and procedures outlined in this Policy.
- 6.7 In case the Disclosure Officers are unable to reach a consensus on materiality or otherwise relating to any event or information they shall refer it to the Audit Committee Chairman, who after considering the views of all the Disclosure Officers give his final opinion, which shall be binding on the Disclosure Officers ;
- 6.8 Disclosure Officer/s may meet physically or through electronic means (video or voice or otherwise) or may interact through e-mails or any other means as they may mutually deem appropriate;
- 6.9 In case of arbitration by the Audit Committee Chairman, the Chairman may decide on the mode and means of deliberation for arriving at a decision on the matters referred to him/her under this Policy.
- 6.10 Disclosure officers shall have the following key responsibilities under this Policy-
- 6.10.1 To ensure compliance with the disclosure requirements under Regulation 30 of the Regulations and such other Circulars as may be specified by SEBI in this regard;
 - 6.10.2 To take a view on the materiality of an event under Annexures 'B' or 'C' or 'D' or on the price sensitivity of an event that qualifies for disclosure under Regulation 30 of the Regulations;
 - 6.10.3 To determine the appropriate time at which the disclosures are to be made to the stock exchanges which shall be in adherence to the requirements of Regulation 30 of the Regulations;
 - 6.10.4 To review and finalize the details to be disclosed. However the contents of the disclosure shall be in line with the Regulations and SEBI Circulars issued in this regard, and as may be amended from time to time;
 - 6.10.5 To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any Annexure and determine the materiality, appropriate time and contents of disclosure for such matter;

- 6.10.6 To review the information in respect of the above specified events on periodical basis, as may be necessary and inform the stock exchanges if there is a change in information after it has been disclosed to stock exchanges (including withdrawal/cancellation of event);
- 6.10.7 To determine in accordance with the Code for Practices and Procedures of Fair Disclosure materiality thresholds of events/information mentioned in Regulation 2(n) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, which is likely to materially affect the price of the securities (constituting UPSI);
- 6.10.8 Disclosure Officer/s may consult with the Company's legal counsel and other appropriate expert advisors (internal or external) as they deem necessary in connection with this Policy.
- 6.10.9 To make necessary amendment(s) to the Policy as may be required from time to time.
- 6.11 The Company Secretary or the Compliance Officer (if any) will be the custodian of the disclosure process.
- 6.12 However in case of any exigency or absentia/ incapacity (for any reasons whatsoever) of the Company Secretary/Compliance officer (as the case may be) the Board may authorize any other Disclosure Officer of the Company or any other person for the limited purposes of filing any disclosures with the concerned authorities as required under this Regulation and incase the said Board Member or "Senior Management Personnel" or the said other person is a qualified Company Secretary he/she may step into the shoes of the Company Secretary/Compliance Officer (if any) as an interim measure or otherwise at the sole discretion of the Board for the purposes of this Regulation.

7. Materiality Assessment related to items specified in Para A of Part A of Schedule III of the Regulation

For events listed in Part A Para A of Schedule III of the SEBI (LODR) Regulations 2015, disclosure shall be made without any application of the guidelines for materiality as specified in Regulation 30(4) of this Regulation and Clause 8 of this Policy. A brief of the events listed in Part A is as under-

- Acquisition(s), Scheme of Arrangement, sale or disposal of any unit(s), division(s) or subsidiary of the Company;

- Issuance or forfeiture of securities, split or consolidation of shares, buy back of securities, any restrictions 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.;
- Revision in Rating (s);
- Outcome of Board Meetings, dealing with key items like dividend , bonus, cancellation of dividend, buy back of securities, bonus issue, capital alteration, reissue of forfeited shares, financials results, delisting,
- Agreements related to shareholders, joint ventures, family settlement agreement(s) , media related, which are not in the normal course of business;
- Change in Key Managerial Personnel , Auditor and Compliance Officer;
- Appointment or discontinuation of share transfer agent;
- Corporate debt restructuring;
- One time settlement with Bank;
- Reference to BIFR and winding up petition;
- Issuance of notice , call letters, resolutions, circulars to shareholders, or advertised in the media;
- Proceedings of Annual and extra ordinary general meeting;
- Amendments to memorandum and articles of association;
- Schedule of Analyst or institutional investor meet and presentation of financial results to them.

8. Materiality Assessment related to items specified in Para B of Part A of Schedule III of the Regulation

For events listed under Para B, disclosure shall be on application of -

8.1 Guidelines for materiality as provided in Regulation 30 (4) of the LODR Regulations as under:

- a) The omission or 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;
- c) In case, where the criteria specified in (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of AJIL, the event/information is considered material.

8.2 Materiality assessment shall be based on the following broad principles :

- a) Events or information's shall be regarded as " material" if there is substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where the fact is likely to have a significant effect on the market price of the security. Either positive or negative information may be material;
- b) Materiality shall be determined on a case to case basis depending on specific facts and circumstances relating to the information or event. The primary approach for determining materiality shall be qualitative;
- c) The quantitative criteria given hereunder shall be used as a guide or reference for determining materiality and arriving at the overall decision on report ability of the event or information;
- d) For the purpose of assessing whether a particular transaction or the amounts involved in that transaction is " material" the following criteria may also be considered, although the same is not exhaustive and only a reference-
 - i. The consideration involved in the transaction as a percentage of AJIL's annual revenue as per the immediately preceding accounting year in excess of twenty percent;
 - ii. The transaction is expected to significantly support the Company's achieving its stated goals and objectives, be it in the top line or in the bottom line.
 - iii. Whether the transaction is in the ordinary course of business;
 - iv. Whether a related party is involved in the transaction;
 - v. Where the transaction relates to a change in the general character or nature of the Company's business brought about by strategic, technical, manufacturing marketing, etc.-

- The Disclosure under this head shall only be made when the Company has a tangible arrangement, be it MOU or any other document/ arrangement in place or the same is expressly approved by the Board for dissemination to the public at large through the stock exchanges;
 - Or the Company is likely to make a press or other announcement through the media, print or otherwise on the same. Before such announcement/s is made the same should be disclosed to the stock exchange.
 - If any event or information is already in public domain through print or other media, then an appropriate disclosure shall be made to the stock exchange(s) at the very earliest in the form of a clarificatory note, confirmation, and denial or otherwise, if the same meets the aforementioned materiality assessment criteria.
- vi. Whether the transaction represents a significant shift in AJIL's business strategy;
- vii. Whether the transaction is an exit from, or entry into, a significant line of business.
- viii. For events or transactions related to capacity addition or product launch the following additional criteria may also be considered:
- Such event or transaction has received a formal approval from the Board or any authorised Committee thereof.
 - The Disclosure under this head shall only be made when the Company plans are expected to be formalized or actioned off in the near future, which should generally be within the current accounting or financial year) .
 - The capacity addition or product launch when operationalized is likely to result in addition to the total revenue of AJIL as per the immediately preceding accounting year in excess of twenty percent or help the Company's progress towards achieving significant goals or help it to significantly reduce its cost of operations and thereby have a significant impact on its profitability or reduction in losses, as the case may be.

- e) The Disclosure Officials may be confronted with the question as to when an event/information can be said to have occurred-
- i. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions, etc., the answer to the above question would depend upon the timing when the Disclosure officials became aware of the event/information.
 - ii. In the former, the events/information can be said to have occurred upon receipt of approval of the Board of Directors e.g. change in general charter of business brought about by arrangements and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

8.3 A brief of the events listed in Para B of Part A is as under-

- 8.3.1 Disclosure on commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division or closure of commencement operations:
- 8.3.2 Disclosure content to report change in 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)
- 8.3.3 Disclosure related to capacity addition or product launch
- 8.3.4 Awarding, bagging/receiving, amendment or termination of awarded /bagged orders/contracts not in the normal course of business.
- 8.3.5 Agreements (viz. loan agreements) or any other agreements which are binding and not in the normal course of business

9. Materiality Assessment related to items specified in Para C of Part A of Schedule III of the Regulation

This para covers any other information or event, viz. major development that is likely to affect business-

- For e.g. emergence of new technologies, expiry of patents, any change in accounting policy;
- Any other information which is exclusively known to AJIL which may be of relevance to security holders in order to enable them to apprise the position of the Company and to avoid the establishment of a false market in such securities.

The materiality assessment under this Para will also follow the guiding principles as aforementioned in Clause 8.

10. Timeframe for Disclosure

- 10.1 For items listed in Para A of Part A of Schedule III of the LODR Regulations (except certain events arising out of the Meetings of the Board of Directors mentioned at point 4 of Para A of Part A of Schedule III of the Regulations) disclosure shall be made on the occurrence or information or event- **Within 24 hours therefrom;**
- 10.2 For items covered in Point 4 of Para A of Part A of Schedule III of the Regulations, which deals with outcome of Board Meetings- **Within 30 minutes** of the closure of the meeting;
- 10.3 For events or information listed under Para B and C of Part A of Schedule III of the LODR Regulations 2015- **Promptly**, that is, as soon as practically possible and without any delay inform the stock exchange(s) concerned;
- 10.4 For events or information listed under Para D of Part A of Schedule III of the LODR Regulations 2015- **as directed by the Stock Exchange (s)/ Board.**
- 10.5 For events or information available with AJIL but not covered in Para A or B of Part A of Schedule III, but which may meet the materiality assessment as mentioned in this Policy the Disclosure Officers shall- **as soon as practically possible** make adequate disclosures thereof.
- 10.6 For any queries raised by stock exchange(s) either generally or under Para D of Part A of Schedule III of the LODR Regulations 2015, the Disclosure Officers shall- **within the time specified by the stock exchange (s) or as soon as practically possible** provide specific and adequate reply to all queries raised.

11. Review/Amendment/Modify/ Replace etc. by Disclosure Officials

The Disclosure Officials are authorised to review, update, amend, modify or even replace this Policy with a new one as may be required from time to time based on the changes that may be brought about to the regulatory frame work, from time to time

12. Disclosure on Website

This Policy shall be hosted on the website of the Company.

13. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Regulations/Companies Act, 2013 or any other statutory enactments, rules, circulars, notifications, then the provisions of such Regulations/Companies Act, 2013 or statutory enactments, rules, circulars, notifications shall prevail over this Policy.