

IRCON INTERNATIONAL LIMITED

POLICY ON DISCLOSURE OF MATERIAL EVENTS OR INFORMATION

1. INTRODUCTION

This Policy deals with the determination of materiality of events or information of Ircon International Limited (hereinafter referred to as “the Company “or “Ircon”), as specified in Regulation 30 read with Part A & Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. PURPOSE

The policy is intended to define Ircon’s policy on disclosure of events/ information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in Ircon in making decisions regarding its responsibility about making public disclosure of such events/ information which may materially affect the performance of the Company and thereby the share prices of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure, information / events which are considered material or not but which may have a bearing on the performance of the Company and which may materially affect the share prices of the company and Updation of website thereof.

3. DEFINITIONS

- i. **“Acquisition”** as defined in explanation of sub-para (1) of Para (A) of Part (A) of Schedule III of Listing Regulations means:
 - 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two percent of the total shareholding or voting rights in the said company.
- ii. **“Act”** means the Companies Act, 2013 including any statutory modifications, clarifications or re-enactment thereof.
- iii. **“Agreement”** includes shareholder agreement, joint venture agreement, family settlement agreement to the extent the same impacts the management and control

of the Company and agreement, treaty or contract with media companies which are binding and not in normal course of business and any revision (s), amendment (s) and termination(s) thereof.

- iv. **“Applicable Law”** means any law, rules, regulations, circulars, guidelines or standards on the basis of which the materiality of events or information may be determined.
- v. **“Board”** means the Board of Directors of the Company, as constituted from time to time.
- vi. **“Compliance Officer”** means Company Secretary or any other officer, designated so and reporting to the Board of Directors, as a Compliance Officer of the Company and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the determination of materiality of events or information, monitoring of trades and the implementation of the codes specified in the SEBI (Prohibition of Insider Trading) Regulation, 2015, under the overall supervision of the Board of Directors of the Company.
- vii. **“Information”** means information concerning the Company which, in the opinion of a reasonable person, would have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company’s sector.
- viii. **“Key Managerial Personnel”** means a Key Managerial Personnel as defined under Section 2(51) of the Act.
- ix. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements Regulations), 2015 including any statutory modification or re-enactment thereof.
- x. **“Material” or “Materiality”** includes those events and information which may materially affect the performance of the Company or the share price of the Company.
- xi. **“Securities”** means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- xii. **“Stock Exchanges”** means the Stock Exchanges of India where the equity shares of the Company are listed.
- xiii. **“Subsidiary”** means a means a subsidiary as defined under section 2(87) of the Act.

- xiv. **“Other Events”** means events or information that may be determined to be Material based on the guidelines specified in Para B of Part A of Schedule III of the Listing Regulations.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Act including any statutory modification or enactment thereof and the Rules, Notifications and Circulars made/issued there-under, and as amended from time to time.

4. GUIDELINES FOR DETERMINING MATERIALITY

4.1 The following events are deemed to be Material Events which shall be necessarily disclosed to the Stock Exchanges within 30 minutes from the closure of the meeting of the Board:

- a) 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;
- b) Any cancellation of dividend with reasons thereof;
- c) The decision on buyback of securities;
- d) The decision with respect to fund raising proposed to be undertaken;
- e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited / dispatched;
- f) 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;
- g) Short particulars of any other alterations of capital, including calls;
- h) Decision on voluntary delisting by Ircon from Stock Exchanges; and
- i) Financial results

4.2 The following Material Events shall necessarily be disclosed to the Stock Exchanges without any test of Materiality (within 24 hours from the occurrence of event):

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 Ircon or any other restructuring;

Explanation – For the purpose of this sub para the word acquisition shall mean:

- (i) Acquiring control, whether directly or indirectly; or
- (ii) Acquiring or agreeing to acquire shares or voting rights, in Ircon, whether, directly or indirectly, such that-
 - (a) Ircon 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 made under sub clause (a) of clause (ii) of the Explanation to this sub para 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 Ircon), agreement(s) / treaty(ies) / contract(s) with media companies which are binding on the Company and not in its normal course of business, revision(s) or amendment(s) and termination(s) thereof;
5. Fraud / defaults by Key Managerial Personnel or by Company or arrest of Key Managerial Personnel;
6. Change in Directors, Key Managerial Personnel, statutory auditor and/or Compliance Officer;
- 6A. Resignation of the auditor with detailed reasons of the resignation;
- 6B. Detailed reason for the resignation of an Independent Director as given by the said director along with a confirmation that there is no other material reason other than as provided be disclosed within seven days from the date of resignation.
7. Appointment or discontinuation of share transfer agent;
8. Corporate debt restructuring;
9. One-time settlement with a bank;
10. Reference to Board for Industrial and Financial Reconstruction and winding-up petition filed by any party / creditors;
11. 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 Ircon;
12. Proceedings of annual and extraordinary general meetings of Ircon;

13. Amendments to memorandum and articles of association of Ircon, in brief;
14. Schedule of analyst or institutional investor meet and presentations on financial results made by Ircon to analysts or institutional investors; and
15. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - (a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - (b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - (c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - (d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
 - (e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - (f) Appointment/ Replacement of the Resolution Professional;
 - (g) Prior or post-facto intimation of the meetings of Committee of Creditors;
 - (h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - (i) Number of resolution plans received by Resolution Professional;
 - (j) Filing of resolution plan with the Tribunal;
 - (k) Approval of resolution plan by the Tribunal or rejection, if applicable;
 - (l) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
 - (m) Any other material information not involving commercial secrets."
16. Following details as regards re-classification of any person as promoter / public:
 - (a) receipt of request for re-classification by the company from the promoter(s) seeking re-classification;

- (b) minutes of the board meeting considering such request which would include the views of the board on the request;
- (c) submission of application for re-classification of status as promoter/public by the listed entity to the stock exchanges;
- (d) decision of the stock exchanges on such application as communicated to the company;

4.3 Other Events which shall be disclosed to the Stock Exchanges upon applicability of guidelines of materiality (within 24 hours from the occurrence of event):

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 (in 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 Ircon 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 Ircon;
8. Litigation(s) or dispute(s) or regulatory action(s) with impact;
9. Fraud / defaults by Directors (other than Key Managerial Personnel) or employees of Ircon.
10. Implementation of any employees' stock option scheme after Ircon has received the approval of the Government in this regard and the Board has approved the methodology;
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;
13. Any other 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 Ircon and which may be necessary to enable the holders of securities of Ircon to appraise its position and to avoid the establishment of a false market in such securities.

4.2(a) The Company may be confronted with the question as to when an event / information can be said to have occurred.

- (b)** 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 listed entity became aware of the event / information.

In the former, 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 the latter, the events / information can be said to have occurred when a listed entity 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 the promoter of the listed entity.

5. DETERMINATION OF MATERIALITY

- 5.1 In addition to the event/ information prescribed in Clause 4, the Company will make disclosure of event or information to the Stock Exchanges as specified by the SEBI/ Stock Exchanges or any regulatory authority from time to time. Materiality has to be determined on a case-by-case basis depending on specific facts and circumstances relating to the information or event. In order to determine whether a particular event or

information is Material in nature, the Board will consider the “quantitative” or “qualitative” criteria mentioned below.

A. Quantitative criteria

Materiality shall become applicable to an event or information where the value involved or the impact exceeds 7% of the total revenue or 7% of the Net worth, whichever is less, on the basis of last audited financial statements of Ircon / audited consolidated financial statements of Ircon, as applicable.

B. Qualitative criteria

Materiality shall become applicable to an event or information:

- (a) if the omission of which is likely to result in a discontinuity or alteration of event or information already available publicly; or
- (b) if the omission is likely to result in significant market reaction if the said omission came to light at a later date; or
- (c) if in the opinion of the Board of Directors of Ircon, the event or information is considered material; or
- (d) any other event / information which is treated as unpublished price sensitive information.

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

6. COMPETENT AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENT/INFORMATION RR MATERIAL INFORMATION

As required under the Regulation 30 (5) of the Listing Regulations, Chairman & Managing Director and Director (Finance) shall jointly be the Competent Authority to decide materiality of an event /information or development for the purpose of making disclosure to the Stock Exchange.

7. PROCEDURE FOR DISCLOSURE

The concerned Functional Head/ Project Head/ Project Coordinator or any other person as authorized by the concerned Functional Director, in consultation with the concerned Functional Director shall prepare a draft, which shall be forwarded to Company Secretary / Compliance Officer for taking approval of Director (Finance) or Chairman & Managing Director. The draft should contain information as may be required under Listing Regulations and circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 (Annex-1) issued by SEBI and modified from time to time or any other statute as may

be necessary to enable investors to make well-informed investment decisions. All Head of Department/ Project/ Project Coordinator or any other person as authorized by the concerned Director of the Company shall be under an obligation to make disclosure as per the policy within stipulated time. After approval of the competent authority, disclosure shall be made by the Company Secretary/ Compliance Officer to the Stock Exchange and will be published on the web site.

8 RETENTION OF DOCUMENTS

The Company will disclose on its website all such events or information which have been disclosed to Stock Exchanges and such disclosures will be available on the website for a minimum period of five years, and thereafter as per the archival policy of the Company.

9 AMENDMENT

The Board of Directors may review or amend this policy, in whole or in part, from time to time as per the requirement of the Act or any statute.

However, any amendment in the Policy required in compliance with the Listing Regulations or any statutory enactment, Chairman & Managing Director of the Company is empowered to approve such amendment.

10 INTERPRETATION

In any circumstance where the terms of this Policy differ from any Applicable Law and the procedures there under governing the Company, such Applicable Law will take precedence over this Policy until such time this Policy is modified in conformity with the Applicable Laws.
