

JAI PRAKASH

POWER VENTURES LIMITED

Policy on Determining Materiality **of Events / Information**



1. SCOPE OF THE POLICY

Stock Exchanges had earlier issued a guidance note on Clause 36 of the Listing Agreement laying down the guidelines for reporting of Events and Information, which have bearing on the performance / operations of the Company, as well as any price sensitive information, along with requisite details for reporting to the Stock Exchanges promptly, accurately and with due authorization. In terms of Regulation 30 (4) (ii) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a Policy for determination of materiality of Events and Information to broadly classify, recognize and promptly disclose to the Stock Exchanges Material Events / Information in terms of the provisions of Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI –LODR"). This Policy will be effective from **1st December, 2015**.

2. OBJECTIVE OF THE POLICY

- 2.1 The Company believes in principles of fair disclosure and transparency and recognizes that timely disclosure of relevant information to the shareholders of the Company is important to protect the interests of shareholders of the Company. Non-compliance with the principles of disclosure and transparency can present potential risks to the Company including by way of loss of shareholder confidence, non-compliance risks of various regulations etc. and may thus raise questions about the governance practices in the Company.
- 2.2 This policy on the determination of materiality of Events/ Information, as required under 30 (4) (ii) of the Regulation is laid down to express the Policy of the Company for identification/ determination of material Events/ Information which require prompt disclosure to the Stock Exchanges in accordance with the Regulations.
- 2.3 This Policy may be amended at any time by the Board of Directors ("the Board") of the Company and is subject to further guidance from SEBI or amendments to or re-enactment of Regulations.

3. RELEVANT REGULATIONS

- 3.1 Part A, Part B, Part C & Part D of Schedule III of the Listing Regulations list out Events / Information upon occurrence of which listed entity would make disclosure to Stock Exchanges depending upon types of securities of the Company which are listed on the Exchanges.

- 3.2 Para A of Part A of Schedule III specifies the Events which shall be disclosed without any application of the guidelines for materiality as specified in Regulation 30 (4) of SEBI- LODR (Annexure-i).
- 3.3 Para B of Part A of Schedule III of SEBI – LODR specifies the list of Events which may or may not be material to the Company and for which the Company has to apply the guidelines for materiality as specified in Regulation 30(4) in order to determine whether the Event is material (Annexure -ii).
- 3.4 Para C of Part A of Schedule III of SEBI-LODR indicates the other Information / Event which is exclusively known to the listed entity (Annexure -iii) which requires disclosure to the holders of securities of the listed entity.
- 3.5 Regulation 30(4) reads as follows:
- (4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:
- (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 to a later date;
 - (c) In case where the criteria specified in sub-clauses (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 listed entity, the event/ information is considered material.
- (ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.”
- 3.6 Chapter II, Regulation 4(3) of the Listing Regulation specified that in the event of any conflict between the principles specified in the regulation and relevant Listing Regulation, principles provided in Regulation 4(3) shall prevail.

“Chapter II, Regulation 4 (3),

In case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in this chapter shall prevail.”

4. POLICY STATEMENT

4.1 The Company through this Policy intends to determine whether an Event or Information is material or not in the following manner;

- a) Classify the Information or Event as i) having an immediate or likely monetary impact ("Monetary Event/ Information") or ii) Not having any immediate or likely monetary impact ("Non-Monetary Event/ Information")
- b) For Monetary Event / Information if the total monetary impact of the Event/ Information on either the assets, liabilities, or turnover of the Company during the current financial year, exceeds 10% (ten percent) of the annual consolidated revenues or 20% (twenty percent) of the consolidated net worth, whichever is lower, of the audited consolidated financial statements of the Company of the previous financial year, then such Event shall be classified as material Event and shall be promptly, within 24 hours, disclosed to the stock exchanges and shall be simultaneously updated on the website of the Company.
- c) In some cases, inter-alia including disclosure of Events specified in Para B of Part A of Schedule III of SEBI-LODR, if the materiality thresholds as prescribed in clause 4(A)(b) hereinabove of this Policy cannot be applied, the Authorised Key Managerial Personnel in such cases, shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the Information/ Events and while doing so, it may consider, among other factors, the following factors;
 - Whether the omission of an Event or Information, which is likely to result in discontinuity or alteration of Event or Information already available publicly; or
 - Whether 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
 - Whether there would any direct or indirect impact on the reputation of the Company; or
 - Whether non-disclosure can lead to creation of false market in the securities of the Company; or
 - Whether there would be a significant impact on the operations or performance of the Company or

Provided that any confidential information which if disclosed, is likely to put at risk the business interest of the Company, shall not be

disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchanges.

- 4.2 The Company shall disclose all Events or Information with respect to subsidiaries which are material to the Company.
- 4.3 Nothing in this Policy is intended to restrict the Company from voluntarily disclosing any additional information including confirming, denying any reported Event, and the Authorised Key Managerial Personnel are severally authorized to disclose additional Information as may be considered important by the Authorised Key Managerial Personnel, for disclosure to the investors including potential investors in compliance with the 'Principles governing disclosure and obligations' under Chapter II of the SEBI – LODR .
- 4.4 The Company shall disclose such Material Information, including any updations on material developments on regular basis till such time such Event is resolved / closed, with relevant explanation.
- 4.5 The Company shall disclose on its website (www.jppowerventures.com) all such Events or Information which have been disclosed to Stock Exchange(s) under the Regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company, as disclosed on Company's website.

5. IMPLEMENTATION AND MONITORING

- 5.1 The Chairman, Vice Chairman & CEO, Managing Director & CFO and the Company Secretary of the Company are authorized to decide whether any Event or Information is material and to classify it as a Material Information/ Event, decide the appropriate time, in compliance with the provisions of the SEBI- LODR, at which the disclosure is to be submitted to the Stock Exchanges and the details that may disclosed in its best interest of present and potential investors and on the website of the Company.
- 5.2 The contact details of the authorized Key Managerial Personnel for the purpose shall be:
 - Shri Manoj Gaur, Chairman;
 - Shri Sunil Kumar Sharma, Vice Chairman & CEO;
 - Shri Suren Jain, Managing Director & CFO; and
 - Shri M.M. Sibbal, Vice President & Company Secretary, are as under:-

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6. LIMITATION

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the law, rule, regulation or standard.

7. REVIEW OF THE POLICY

The Board may subject to the applicable law 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.

Annexure-A (i)

Events which shall be disclosed without any application of the guidelines for Materiality:

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. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - (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) Financial results;
 - (i) Decision on voluntary delisting by the Company from stock exchange(s)

5. 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;
6. Fraud/ defaults by Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or Promoter;
7. 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 advertise 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; and
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Annexure-A (ii)

Events/information as specified under **Para B of Part A of Schedule III of the SEBI-LODR:**

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 award / 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 the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud / defaults etc. by directors (other than key managerial personnel) or employees of the Company.
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.

Annexure-A (iii)

Events/information as specified under **Para C of Part A of Schedule III of the SEBI-LODR:**

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 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.

The Policy as approved by the Board of Directors shall be effective from December 1, 2015.

9. DISCLOSURE ON WEBSITE

The Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company.
