



A.K. CAPITAL SERVICES LTD.

BUILDING BONDS

**POLICY ON DETERMINING OF MATERIALITY OF
EVENTS/INFORMATION**

A. K. CAPITAL SERVICES LIMITED

POLICY ON DETERMINING OF MATERIALITY EVENTS/INFORMATION

INTRODUCTION:

This policy is prepared in accordance with the requirements of the provisions of Regulation 30(4) (ii) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations"). The Regulations inter-alia requires companies whose securities are listed on the Stock Exchanges to make disclosures of certain events or information which, in the opinion of Board is material in a timely manner.

In light of the foregoing requirements, the Board of the Company at their meeting held on May 21, 2016 had adopted the policy on Determining of Materiality Events/Information.

OBJECTIVE OF THIS POLICY:

- A. To ensure that the Company complies with the disclosure requirements pursuant to applicable Law.
- B. To ensure that events/information disclosed by the Company in a timely manner.
- C. To ensure transparency and timely disclosure of relevant events/information to the shareholders of the Company which is important to protect the interests of the shareholders of the Company.
- D. To help KMPs/ Directors in determining Materiality of events/information.
- E. To develop systematic approach in disclosing events/information relating to the Company.

DEFINITIONS:

- i. **"Board"** means Board of Directors of the Company.
- ii. **"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes:-
 - (i) Chief Executive Officer or Managing Director or Manager
 - (ii) Company Secretary;
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) Such other officer as may be prescribed

- iii. **"Subsidiary"** shall mean a Subsidiary as defined under Section 2(87) of the Companies Act, 2013 and the Rules made thereunder.
- iv. **"Compliance Officer"** shall mean the Company Secretary of the Company.
- v. **"Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION

1. Events / information listed in **Annexure I** of the Listing Regulation/Policy shall be deemed to be material events and the Company shall make disclosure of such events / information without applying any criteria of materiality.
2. The following criteria shall be applied for determining materiality of events / information listed in **Annexure II**:

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:

- (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 event/information may be treated as being material, if in the opinion of the Board of Directors of the Company, the event / information is considered material.

"The Company shall also disclose all events or information with respect to its subsidiaries which are material for the company"

Disclosure of material information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information or within such other time as may be prescribed by SEBI in the Listing Regulations from time to time.

DISCLOSURE OF THE POLICY:

The company shall disclose the policy on determining of materiality of events/information on its website, and such disclosure shall be hosted on the website of the Company for minimum period of five years and thereafter archived as per the Archival Policy of the Company

IMPLEMENTATION AND MONITORING

- A. The Managing Director, Chief Financial Officer, Whole-time Director and the Company Secretary (“Authorized KMP’s”) of the Company are severally authorized by the Board to decide whether any event or information is material, verifying or denying rumors for the purposes of making disclosures to the stock exchanges.
- B. The Authorized KMP’s shall in case of any doubt, call for a meeting of the Board of Directors of the Company to decide on the materiality of an event/information.

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.

AMENDMENTS IN THE POLICY:

The Company shall reserve the rights to make amended to the Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force.

Version	Policy	Adopted by Board	Authorised Signatory
1	Policy on Determining of Materiality Events/Information	May 21, 2016	_____ Director

ANNEXURE I

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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 listed entity or any other restructuring.
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 Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity 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 listed entity 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 listed entity), 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 listed entity 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 advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

ANNEXURE II

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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.

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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.