



Mercator Limited

Policy for Determination of Materiality of Any Event/Information

1. Introduction

The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) on September 2, 2015, which is effective from December 1, 2015.

Pursuant to Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations, Mercator Limited (“the Company”) is required to formulate policy and procedures with regard to determination of Materiality of events or information for disclosure to Stock Exchanges.

Accordingly, the Board of Directors of the Company hereby formulates the Policy for Determination of Materiality of any Event / Information (Policy).

2. Purpose of the Policy

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations (as amended from time to time) and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

3. Criteria for Determination of Materiality of Events / Information

The Company shall consider the criteria as specified below 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 at later date.

4. Disclosure of Events or Information

A. The following events / information upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of criteria of materiality as specified in para 3 of this Policy:

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- 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, 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 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 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.
- 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
 - i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the Company to the stock exchanges.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

- iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause i. above.

- 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 Company.

- 13. Proceedings of Annual and Extraordinary General meetings of the Company.

- 14. Amendments to Memorandum and Articles of Association of Company, in brief.

- 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

- B. The following events / information specified upon occurrence of which the Company shall make disclosure to the Stock Exchanges with application of criteria of materiality as specified in para 3 of this Policy and following the procedural guidelines as given in para 5 of this Policy:
 - I. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

 - II. 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).

 - III. Capacity addition or product launch.

 - IV. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.

 - V. 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.

 - VI. 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.

 - VII. Effect(s) arising out of change in the regulatory framework applicable to the Company

 - VIII. Litigation(s) / dispute(s) / regulatory action(s) with impact.

- IX. Fraud/defaults etc. by Director(s) (other than Key Managerial Personnel) or employees of Company.
- X. Options to purchase securities including any ESOP/ESPS Scheme.
- XI. Giving of guarantees or indemnity or becoming a surety for any third party.
- XII. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

5. Procedural Guidelines for Determination of Materiality of Events/ Information

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board hereby establishes an internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, Head of the Department who is responsible for relevant area of the Company's operations (Responsible Officer) must report to Executive Chairman or Managing Director of the Company any event / information which may possibly be material or of which the Responsible Officer is unsure as to its materiality.

On receipt of communication of potential material event / information, the Executive Chairman or Managing Director will

- i. Review event / information and to take whatever steps necessary to verify its accuracy;
- ii. Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;

Any uncertainty about materiality of event / information, the matter may be referred for external legal advice.

The procedure to be followed in relation to the lodgment of announcement of material event / information is as follows:

- i. **Prepare draft announcement to the Stock Exchanges:** If the event / information is material, the Chief Financial Officer/Company Secretary/Compliance Officer or any other person authorised by Executive Chairman or Managing Director will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of Executive Chairman or Managing Director of the Company.
- ii. **Lodge Announcements:** The Chief Financial Officer/ Company Secretary/Compliance Officer or any other person authorised by Executive Chairman or Managing Director on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.
- iii. **Post announcement on website:** After lodgment of the announcement with the Stock Exchanges, the Chief Financial Officer/ Company Secretary/Compliance Officer or any other person authorised by Executive Chairman or Managing Director will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.



6. Communication of this Policy

For all new Directors and Head of the Departments, a copy of this Policy shall be handed over as a part of the joining documentation, along with other HR related policies. For all existing Directors and Head of the Departments, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the web-site of the Company.

7. Amendment

This Policy shall be subject to amendments (s) from time to time and approved/ ratified by the Board of Directors.