



Policy on determination of materiality of events/information

INTRODUCTION

The Board of Directors of Praj Industries Limited (Praj) has, in its Board Meeting held on 29th October, 2015, adopted the following policy on determination of materiality of events/information (Policy) pursuant to the Regulation 30(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations). This Policy will be applicable to the Company effective 29th October, 2015.

OBJECTIVE

Praj being a listed entity, is obligated to comply with the disclosure requirements under the Listing Regulations and is committed to the premise that the all persons investing in the publically traded securities have equal right to access information that may affect their investment decisions and believes that full and fair disclosure of material information to the public is the cornerstone to the integrity of the Capital Market.

EVENTS/ INFORMATION COVERED UNDER THIS POLICY

- All the events covered in Para B of Part A of Schedule -III to the Listing Regulations which are:

Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

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).

Capacity addition or product launch.

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

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.

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.

Effect(s) arising out of change in the regulatory framework applicable to the listed entity.

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



Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.

Options to purchase securities including any ESOP/ESPS Scheme.

Giving of guarantees or indemnity or becoming a surety for any third party.

Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

- 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- Any other information/event mandatorily required to be disclosed as may be specified by SEBI from time to time.

PRAJ SHALL CONSIDER THE FOLLOWING CRITERIA WHILE DETERMINING THE MATERIALITY OF INFORMATION/ EVENT:

Praj being a listed entity, is obligated to comply with the disclosure requirements under the Listing Regulations and is committed to the premise that the all persons investing in the publically traded securities have equal right to access information that may affect their investment decisions and believes that full and fair disclosure of material information to the public is the cornerstone to the integrity of the Capital Market.

- the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 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;
- 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.

QUANTITATIVE MATERIALITY THRESHOLD;

Where it could be possible to determine the value, where the value involved in an event/information or the impact of an event/information exceeds 10% of the total income; or exceeds 20% of the net worth, whichever is lower, such an event/information will be material in nature.

Note: Above thresholds shall be determined on the basis of audited consolidated financial statements of last financial year.



Date: 29.10.2015

Pramod Chaudhari
Executive Chairman