

**POLICY FOR
DETERMINATION OF MATERIALITY
OF
EVENTS/INFORMATION**

CONTENTS

1. INTRODUCTION	03
2. OBJECTIVE	03
3. DEFINITIONS	03
4. CRITERION FOR DETERMINATION OF MATERIALITY	03
5. MATERIAL EVENTS AND INFORMATION	04
6. AUTHORITY	04
7. COMPLIANCE	06
8. DISCLOSURE	06
9. AMENDMENT	07
Schedule-I	08

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION FOR DISCLOSURE TO STOCK EXCHANGES

1. INTRODUCTION

Securities and Exchange Board of India (SEBI) has introduced SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (“Listing Regulations”), in substitution and complete exclusion of the prevailing Listing Agreement entered into by the Company with the Stock Exchanges.

In pursuance of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (“Listing Regulations”), Aksh Optifibre Limited (hereinafter the Company) is required to formulate and adopt a policy for determination of materiality of an event or information and for the purpose of making disclosures to stock exchange under this regulation.

Accordingly, this “**Policy for Materiality of Event/Information**” is adopted by Board of Directors in their meeting held on November 14, 2015, to be applicable and effective on the Company from December 02, 2015.

2. OBJECTIVE

Aksh Optifibre Limited (AOL) being a listed entity, is obliged to comply with the SEBI (Listing Obligations & Disclosure requirements) Regulations- 2015, and all the persons investing in the Company and/ or are in any way attached with the Company have equal right to access information that may affect/ impact their decision for the Company’s securities.

3. DEFINITIONS

For the purposes of this policy a ‘**Material Event**’ is defined as any action/ decision by the Board of Directors,/ Key Managerial Personnel(s) or any other acts or facts of technical, business, or economical , and / or financial nature related to company’s business that can significantly influence:

- i. The market price of the securities issued by the Company;
 - ii. An investor’s decision to buy, sell or otherwise deal in such securities.
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4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

The company shall make disclosure of any events or information which, in the opinion of the Board of Directors, is material on the following criteria:

- (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 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, the event / information is considered material.

5. AUTHORITY

- 5.1. The Board of Directors of the Company has authorised the Managing Director/Chief Executive Officer, Chief Financial Officer and Company Secretary (“Authorised persons”), any two of them acting jointly, to determine the materiality of any event/ information (including that of its subsidiaries) for the purpose of disclosure to the Stock Exchanges.
- 5.2 Such disclosures can be made either by Company Secretary, Chief Financial Officer or Managing Director/Chief Executive Officer of the Company.

6. MATERIAL EVENTS OR INFORMATION

- 6.1 In pursuance to Regulation 30 of the Listing Regulations & within the framework of this policy the Board through the Key Managerial Person(s), would be authorized to disclose the Events/Information as given in **Schedule –I**, without applying any test of materiality.
- 6.2 In pursuance to Regulation 30 of the Listing Regulations & within the framework of this policy Events/Information the events and information conforming to the materiality thresholds given below shall be considered material for the purpose of disclosure to the Stock Exchanges in terms of Listing Regulations:

Sr.No.	Event / Information	Materiality Threshold
1.	Commencement of commercial production or commercial operations of any unit/division Postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Whereby the capacity increases by more than 50% of the existing production/ operation capacity, as per last year audited Annual Report If the postponement is beyond 25% of expected period already notified to the stock exchanges.

2.	<p>Change in the General Character or nature of business brought about by:</p> <p>a. Arrangements for strategic, technical tie up.</p> <p>b. manufacturing tie-up:</p> <p>c. Marketing Tie-up</p> <p>Adoption of new line(s) of business</p> <p>Closure of operations of any unit/division (entirely or piecemeal).</p>	<p>All arrangements for strategic and / or technical tie up, to be informed forthwith.</p> <p>Any tie-up which results in increase in turnover by 20% as per last year audited Annual Report.</p> <p>Through which the estimated annual revenue increases by 20% of the revenue as per last year audited Annual Report.</p> <p>Which involve an estimated investment of INR 20 crores & above.</p> <p>Closure of entire operations of any unit or division to be informed forthwith.</p>
3.	<p>Capacity Addition</p> <p>Product Launch</p>	<p>Which involves investment of more than INR 20 Crore or capacity increases by 50% of existing capacity as per last year audited Annual Report</p> <p>Any product or service through which there is an expected increase of annual revenue by 20% & above, over the revenue as per last year audited Annual Report.</p>
4.	<p>Bagging/ Receiving of orders/ contacts not in the normal course of business.</p> <p>Amendment in the contract/ order(s) as aforesaid.</p> <p>Termination of received /bagged orders / contracts not in the normal course of business.</p>	<p>Any single order with value exceeding 20% of the turnover, as per last year audited Annual Report</p> <p>Whereby the impact of such amendment is 25% or more of the original contract value</p> <p>Where by such termination there is an impact of 25% or more of the original contract value.</p>
5.	<p>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.</p>	<p>Any financial agreements (excluding working capital limits) which results in change in (Debt:Equity) ratio by 25% or above, as per last year audited Annual Report</p> <p>Any other agreement, entering / amendment /</p>

		revision or termination thereof which has an impact of 20% on the Turnover of the Company, as per last year audited Annual Report
6.	Disruption of operations of any one or more units or divisions of the company due to natural calamity (earthquake, flood, fire etc.) force majeure or events such as strikes, lockouts etc.	If such disruption continues for more than 30 days or results in Loss of production Capacity by 20%. <i>Not applicable in case of plant shutdown for maintenance.</i> All steps taken for bringing about the normalcy to be informed.
7.	Effect(s) arising out of change in the regulatory framework applicable to the company.	If the likely impact is 20% or more of the turnover, as per last year audited Annual Report
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	The litigation filed against the Company, disputes raised by third parties and regulatory actions against the company where the principal claim exceeds 10% of the net worth of the Company, as per last year audited Annual Report
9.	Fraud/ defaults, etc. by Directors (other than key managerial personnel) or employees of the Company.	As decided by Key managerial Personnel(s).
10.	Options to purchase securities including any ESOP/ ESPS scheme	Any grant of stock options in pursuance of Securities and Exchange Board of India (Share based Employees Benefits) Regulations, 2014 or any amendment or replacement thereof.
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	Any guarantee or indemnity or surety of more than 20% of Networth of the Company as per last year audited Annual Report.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	If such actions impact the annual turnover of the company by more than 20% of turnover as per last year audited Annual Report.

6.3 In case of any event / information not covered above, the Managing Director/Chief Executive Officer, Chief Financial Officer and Company Secretary (“Authorised persons”), any two of them acting jointly shall determine the materiality for the purpose of disclosure to the Stock Exchanges.

7. COMPLIANCES

The Company shall comply with the requirements of Listing Regulations amended time to time and Companies Act, 2013, in respect of identified Events/Information in terms of this Policy.

8. DISCLOSURE

The material disclosures under this Policy shall be disclosed to the Stock Exchanges and also posted on the company website (www.akshoptifibre.com). Further, the following is also to be observed:

- 8.1. all events or information which has been disclosed to stock exchange(s) and such disclosures shall be hosted for a minimum period of Five (5) years;
- 8.2. make disclosures updating material developments on regular basis, till the event is resolved/closed;
- 8.3. the contact details of authorized Key Managerial Personnel.

9. AMENDMENT

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations (“Statutory Provisions), the provisions of Statutory Provisions shall prevail.

Schedule I

Indicative List of events or information which shall be disclosed without applying any test of materiality.

- i. Restructuring including Acquisition, Scheme of Arrangement, sale or disposal of Unit/Division/Subsidiary.
 - ii. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, redemption of securities.
 - iii. Revision in Rating(s).
 - iv. Outcome of meeting of Board of Directors
 - v. Shareholder's Agreement, Joint Venture Agreements, Family Settlement Agreements, etc. (to the extent it impacts management and control of the listed entity)
 - vi. Fraud/defaults by promoter/KMP's or arrest of KMP or Promoter.
 - vii. Change in directors/KMP/Auditor/Compliance Officer.
 - viii. Appointment or discontinuation of Share Transfer Agent.
 - ix. Corporate Debt Restructuring
 - x. One time settlement with a bank.
 - xi. Reference to BIFR and winding up petition filed
 - xii. Issuance of Notices/call letters/resolutions to Shareholders & circulars sent to shareholders/debenture holders/creditors.
 - xiii. Proceedings of AGM/EGM's.
 - xiv. Amendments to memorandum and Articles of Association.
 - xv. Presentation made to Investors/Analysts.
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