
SHAH CONSTRUCTION COMPANY LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

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I. **Objective:**

The policy is framed in accordance with the requirements of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (here after referred as Regulations) including any modifications, clarifications, circulars or re-enactment thereof.

The objective of this policy is to determine materiality of events or information of the company and to ensure that such events or information is adequately disseminated in pursuance with the Regulations and to provide an overall governance of framework for such dissemination of Materiality.

Effective Date

This policy shall be effective from December 1, 2015.

II. **Definition :**

“**Act**” shall mean the Companies Act, 2013 and Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**board**” shall mean the Board of Directors of **M/S. SHAH CONSTRUCTION COMPANY LIMITED.**

“**Company**” means **M/S. SHAH CONSTRUCTION COMPANY LIMITED.**

“**Key Managerial Personnel**” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

“**Listing Agreement**” shall mean an agreement that is entered into between a recognized stock exchange and the Company pursuant to the Regulations.

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in Schedule-III of the Regulations or as may be determined in terms of Clause III of this Policy. In the Policy, the words “**Material**” and “**Materiality**” shall be construed accordingly.

“**Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Any other term not Defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or Regulation to the extent applicable to the Company.

III. Guidelines for Determining Materiality of Events or Information :

Events/ Information shall be considered as material if it meets any of the following Criteria:

- A. the event or information is in any manner unpublished price sensitive information as defined under the **SHAH CONSTRUCTION COMPANY LIMITED** Prohibition of Insider Trading Code;
- B. Omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- C. Omission of an event or information, which is likely to result in significant market reaction if the said omission came to light at a later date; and
- D. Any other event/ information which is treated as being material in the opinion of the Board of Directors of the Company.

IV. Disclosures of Event or Information :

- A. Events specified in “Annexure-A” annexed hereto are deemed to be material events and the Company shall make Disclosure of such events or information as soon as reasonably be possible and not later than 30 minutes or twenty-four (24) hours, as mentioned therein, from the occurrence of such events or information:-
 - 1. To Bombay Stock Exchange Ltd. and to any other stock exchanges if required or in which the Securities of the Company may be listed, in future;
 - 2. Upload on the Website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of the occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

- B. The Company shall make disclosure of events as specified in Annexure-B annexed hereto based on the application of guidelines for determining Materiality as per Clause III above.
- C. The Company shall make disclosure updating Material Developments on regular Basis, till such time the event is resolved/ closed, with relevant explanation.
- D. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A” or “Annexure B”, but which may have material effect on it, the Company will make adequate disclosures in regard thereof. e.g. Major development likely to affect its business or emergence of new technology, expiry of patents, if any, change in accounting policy, etc., which may have significant impact on the business affairs of the Company. Any other information exclusively known to the Company, which may be necessary for the

securities holder of the Company to appraise its position and to avoid the establishment of false market in the Company's Securities.

- E.** The Company shall provide sufficient and adequate reply to all queries raised by the Stock Exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to the Stock Exchange(s) reported in the media.
- F.** The Board of Directors may on its own specify to make disclosure of certain event/information.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per the Company's Policy for Preservation and Archival of Documents.

V. Authority to Key Managerial Personnel :

Mr. Mehul Jadavji Shah and Mr. Sanjay Damji Shah, Directors of the Company shall severally have the authority to determine the Materiality of any event or information and ensure disclosures of the same are made to the stock exchange(s), subject to the provisions of this policy.

Contact Details:

11 SHAH INDUSTRIAL ESTATE, OPP ANNA TEMPLE,
NEW LINK ROAD, ANDHERI WEST, MUMBAI 400053
Phone : 022 32972415

Amendments:

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) of the Policy with the new provision(s) or replace the Policy entirely with the new Policy. However, no such amendments shall be inconsistent with the applicable provisions of any law for the time being in force

VI. Scope and Limitation :

The Provision of the Listing Agreement, Companies Act, 2013 and Rules made thereunder, any regulation(s), with their statutory enactments, 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.

VII. Dissemination of Policy :

This Policy shall be hosted on the website of the Company and its web link thereto shall be provided as required

Annexure-A

Events which shall be disclosed without any application of the guidelines for materiality of events

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.
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 listed entity 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 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.
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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-B

Events which shall be disclosed upon application of the guidelines for materiality

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.
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.
