

# **HINDUSTHAN NATIONAL GLASS & INDUSTRIES LTD**

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION AS PER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS**

<b>Effective Date</b>	<b>01.12.2015</b>
<b>Authorised Date</b>	<b>Vide Board Meeting date, 01.12.2015</b>
<b>Last Revised (Draft)</b>	<b>12.11.2020</b>

## **1. BACKGROUND**

Hindusthan National Glass & Industries Limited (the Company) is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner. The Company will comply with the continuous disclosure obligations as mandated by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations) that come into effect from December 1, 2015.

The Policy on Determination of Materiality of events or information that warrant disclosure to investors has been framed in compliance with the requirements of the Listing Regulations.

The words and expressions used which are not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable Laws, and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

## **2. OBJECTIVE OF THE POLICY**

Regulation 30 of the SEBI (LODR), Regulation 2015, mandates that every listed entity shall make disclosure of any events or information that, in the opinion of the Board of Directors of the Listed Company, is material.

Further the listed entity consider the following criteria for determination of materiality of events/information:-

- To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations (In India).
- To ensure that the information disclosed by the Company is timely and transparent.
- To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

## **3. DEFINITIONS**

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

"Board of Directors" or "Board" means the Board of Directors of Hindusthan National Glass &

Industries Limited, as constituted from time to time.

“Company” means Hindusthan National Glass & Industries Ltd.

“Key Managerial Personnel” mean 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 to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015

“Material Event” or “Material Information” shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“Material Subsidiary” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

“Policy” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

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

"Schedule" means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

#### **4. APPLICABILITY**

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- i. The Company shall make disclosure of events specified in Para A of part A of Schedule III of the Listing Regulations, as may be amended from time to time, without applying any test of materiality to the stock exchanges within specified timelines.
- ii. The Company shall make disclosure of events specified in Para B of Part A of Schedule II of the Listing Regulations, as may be amended from time to time, based on application of the criteria for determination of materiality as specified in para 4.
- iii. 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 Company which may be necessary to enable the shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.

iv. The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors, is material. In case where an event occurs or information is available with the company, which has not been indicated in sub-para i, ii and iii above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

## **5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

The Company shall determine the materiality of an event / information for the purpose of disclosure to Stock Exchanges by applying the following criterion:

- (a) that event or information is, in any manner, unpublished price sensitive information;
- (b) the omission of disclosure of it is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) the omission of its disclosure is likely to result in significant market reaction if the said omission came to light at a later date; and
- (d) Events or information not covered by above, but it is considered as being material in the opinion of the Board of Directors of the Company.

## **6. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company shall authorise one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures of an event or information and for the purpose of making disclosures to Stock Exchange(s) and contact details of such personnel shall also be disclosed on the Website of the Company i.e. [www.hngil.com](http://www.hngil.com) and shall also be disclosed to Stock Exchange.

## **7. Material Events/Information to be disclosed.**

**A.** The following will be disclosed to the Stock Exchanges any time after the decision is taken or approval is granted but no later than **30 minutes of the conclusion of the meeting of the Board of Directors** of the Company (hereinafter referred to as the 'Board'):

- i. Decision on financial results;
- ii. 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.
- iii. any cancellation of dividend with reasons thereof;
- iv. Approval/ recommendation/ decision of fund raising proposal through issue of securities or acceptance of deposits from the member/public;

- v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- vi. Approval/recommendation/decision to the shareholders for buy back of securities
- vii. Re-issue of forfeited shares or securities, or the issue of shares or securities held in reserve for future shares or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to.
- viii. Short particulars of any other alterations of capital, including calls.
- ix. Approval / recommendation/decision on voluntary delisting of the Company's securities from one or more Stock Exchange(s).

**B.** The following events / information will be disclosed to the Stock Exchanges as soon as possible but no later than 24 hours of the occurrence of the event or information and if declared after 24 hours of occurrence of event or information, explanation for delay should be provided to Stock Exchange(s).

- i. Approval of the Board for acquisition, directly or indirectly, of control of a company, or entering into agreement for this purpose
- ii. Acquiring or agreeing to acquire, directly or indirectly, shares / voting rights of a company, such that the shareholding / voting rights aggregate 5%\* or more of that company's total shareholding/ voting rights
- iii. Changes in shareholding in a company from the last disclosure made to the Stock Exchanges under clause (ii) above, when such change exceeds 2%\* of that company's total shareholding/ voting rights
- iv. Recommendation by the Board to the shareholders of a Scheme of Arrangement for amalgamation, merger, demerger or other such restructuring.
- v. Approval of the Board / recommendation by the Board to the shareholders for sale or disposal of a Manufacturing Unit / Division of the Company or sale or disposal of a Subsidiary of the Company
- vi. 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.
- vii. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
  - In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

- Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- I. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities 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 listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.]

- viii. Notices, call letter, resolutions and circulars sent to and advertisements issued for the information of all shareholders / creditors / debenture holders, or any class thereof
- ix. Proceedings of Annual and Extraordinary general Meetings of the Company.
- x. Amendment to Memorandum and Articles of Association of the Company, in brief;
- xi. Schedule of analysts or institutional investors' meet organised by the Company and presentations on financial results made by the Company to analysts or institutional investors at such meets.

The Company will ensure that no material information is disclosed selectively to any one or group of research analysts or investors to the disadvantage of other stakeholders. In the unlikely event of any material information being disclosed selectively, inadvertently or otherwise, at a meeting with analysts or at any investor relations conference, such information would be promptly disclosed to the Stock Exchanges.

- xii. Knowledge of fraud by KMP/ Promoter or by the Company or arrest of KMP/ Promoter
- xiii. Occurrence of default by KMP or the Company (and not merely procedural default)
- xiv. 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.
- xv. Corporate debt restructuring and one time settlement with banks
- xvi. Reference to BIFR and winding-up petition filed by any party / creditors
- xvii. Rating of securities of the Company by a Credit Rating Agency, including revision, if any

- xviii. Approval of the Board for appointment or discontinuation of Share Transfer Agents.
- xix. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
  - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
  - d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - f. Appointment/ Replacement of the Resolution Professional;
  - g. Prior or post-facto intimation of the meetings of Committee of Creditors;
  - h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - i. Number of resolution plans received by Resolution Professional;
  - j. Filing of resolution plan with the Tribunal;
  - k. Approval of resolution plan by the Tribunal or rejection, if applicable;
  - l. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
  - m. Any other material information not involving commercial secrets.
- xx. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
  - a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.]

**C.** The following events / information will be disclosed to the Stock Exchanges as soon as possible but no later than 24 hours of the occurrence of the event / information, if the impact of such event / information on the Company exceeds 10% of its gross turnover or 10% of its net worth, whichever is higher, such turnover / net worth to be based on the latest audited annual financial statements of the Company:

- i. Commencement or postponement in the date of commencement of commercial production or commercial operations of a Manufacturing Unit / Division of the Company
- ii. Change in the general character or nature of business of the Company through strategic, technical, manufacturing or marketing tie-up with external party.

- iii. Adoption of new line of business or closure of operations of a Manufacturing Unit / Division of the Company. (entity or piecemeal)
- iv. Capacity addition
- v. Category or Product launch
- vi. Disruption of operations of a manufacturing unit / divisions of the Company due to natural calamity (force majeure events) or events such as strikes, lockouts etc.#
- vii. Change in regulatory framework applicable to us and impacting to our business.
- viii. Litigation / dispute / regulatory action against the Company or its KMP#
- ix. Fraud by Directors or employees, other than KMP, of the Company#
- x. Occurrence of default by Directors or employees, other than KMP, of the Company (and not merely procedural default)#
- xi. Option to purchase securities including any ESOP/ESPS scheme.
- xii. Giving of guarantee or indemnity or becoming a surety for a third party
- xiii. Granting, withdrawal, surrender, cancellation or suspension of key license or regulatory approval#
- xiv. Awarding / receiving orders or contracts not in the normal course of business, including amendment thereto or termination thereof#
- xv. Entering into agreement for borrowing money or any other agreement which is binding and not in the normal course of business, including amendment thereto or termination thereof
- xvi. 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 account, 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.
- xvii. Any other material event/information which is exclusively known to the Company and need disclosure to enable the shareholders to appraise the Company's position.

**D.** Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.



## **8. POLICY REVIEW**

The Board of Directors may review the Policy from time to time. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

## **9. WEBSITE**

The Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company

*\*Or such other limit or time as may be prescribed under the Regulations 2015 from time to time.*

*#events / information will be disclosed to the Stock Exchange as soon as possible but no later than 24 hours from the time any KMP/ Promoter of the Company becomes aware of such event / information in the course of performance of his duties.*