

NAVA BHARAT VENTURES LIMITED HYDERABAD

POLICY FOR DETERMINATION OF MATERIALITY

Pursuant to Regulation 30 (4) (ii) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}
[As approved by the Board of Directors of the Company]

1. OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

The objective of the Policy is to determine materiality of events or information of Nava Bharat Ventures Limited ("the Company") and to ensure that such information is adequately disseminated in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality.

2. EFFECTIVE DATE

This Policy is effective from December 1, 2015.

3. DEFINITIONS

"**Act**" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any statutory modifications or re-enactments thereof.

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

"**Material Event**" or "**Material Information**" shall mean such event or information as specified under Regulation 30 read with Schedule III Part A of the Regulations.

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

"**Schedule**" means a Schedule III of the Regulations.

4. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The Company shall consider the following criteria 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 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 of the Company, the event/information is considered material.

5. DISCLOSURE OF EVENTS OR INFORMATION

- (1) The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors of the Company, is material.
- (2) Events specified in Para A of Part A of Schedule III are deemed to be material events and the Company shall make disclosure of such events.
- (3) The Company shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4) of Regulation 30.

An extract of Part 'A' of Schedule- III is annexed as Annexure- I.

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 holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of para (A), (B) and (C) of Schedule- III, the Company may make disclosures of event/information as specified by SEBI from time to time.

- (4) The Company shall first disclose to stock exchanges of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay:

Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

- (5) The Company shall, with respect to disclosures referred to in Regulation 30, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- (6) The Company shall disclose on its website all such events or information which has been disclosed to stock exchanges under Regulation 30, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.
- (7) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- (8) The Company shall provide specific and adequate reply to all queries raised by stock exchanges with respect to any events or information:
- (9) The Company may on its own initiative also, confirm or deny any reported event or information to stock exchanges.
- (10) In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.
- (11) The Board of Directors of the Company authorized Mr. GRK Prasad, Executive Director and Mr. CV Durga Prasad, Director (Business Development) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchanges under Regulation 30 and the contact details of such personnel were also disclosed to the stock exchanges and as well as on the Company's website.

6. ADEQUACY OF DISCLOSURES

In order to enable Investors to make well informed investment decisions, timely, adequate and accuracy of disclosure of information on on-going basis is essential. SEBI, therefore, issued a guidance note on September 9, 2015 indicating the details that need to be provided while disclosing events given in para A and B of Schedule- III. The Company shall provide such details as



specified from time to time and as may be applicable. The guidance given by SEBI on when an event or information can be said to have occurred is also annexed as Annexure- II.

7. AMENDMENTS

The Board of Directors may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy in consonance with the applicable provisions of any law and the Regulations as may be amended from time to time.

ANNEXURE-I

SCHEDULE III

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES [Regulation 30]

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchanges:

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
8. 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.

9. 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 are 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 above.

10. Appointment or discontinuation of share transfer agent.

11. Corporate debt restructuring.

12. One time settlement with a bank.

13. Reference to BIFR and winding-up petition filed by any party/creditors.

14. 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.

15. Proceedings of Annual and extraordinary general meetings of the listed entity.

16. Amendments to memorandum and articles of association of listed entity, in brief.

17. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

18. Events as specified in the Schedule in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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.
- C. 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.**
- 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.**

ANNEXURE-II

Guidance on when an event/information has occurred:

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.
 - 2.1. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

- 2.2. In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.