

AURIONPRO SOLUTIONS LIMITED

POLICY FOR DISCLOSURE OF EVENT OR INFORMATION AND DETERMINATION OF MATERIALITY

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1. LEGAL FRAMEWORK

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors (the "Board") of Aurionpro Solutions Limited (the "Company") in its meeting held on 05th November, 2015 approved the "Aurionpro Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

This Policy will be applicable to the Company effective December 1, 2015.

2. OBJECTIVE

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the Management of the Company to determine the materiality of events and information, to serve as a guiding charter to the Management to ensure timely and adequate disclosure of events or information are made to the investor community by the Company under the Listing Regulations, to enable them to take well-informed investment decisions with regard to the securities of the Company.

The purpose of this policy is to ascertain the requirement of disclosure of events or information to stock exchange(s) and defining criteria for determining materiality of events and information specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations, 2015.

3. 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 that 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 Annexure 1 (Events specified in Para A of Part A of Schedule III of the Listing Regulations and 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 Annexure 2 (Events specified in Para B of Part A of Schedule III of the Listing Regulations and as may be amended from time to time), based on application of the guidelines for materiality.

- 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, would be disclosed as advised by the Board from time to time.
- iv. The Company shall make disclosures of any events or information that, 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 Annexure 1 and 2, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

4. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- (i) depending upon the stage of discussion, negotiation or approval and
- (ii) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 4(i), 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 declarations of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

In respect of the events under 4(ii), the events/information can be said to have occurred when the Company 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. The term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include Promoter of the Company.

5. DISCLOSURE OF EVENTS OR INFORMATION

The Company shall make disclosure of any events or information to the stock exchanges on a timely basis as follows:

- (i) Events or information as stated in Annexure-1 shall be disclosed immediately in line with the Clause (v) mentioned herein below.
- (ii) Events or information as stated in Annexure-2 shall be disclosed based on the application of materiality as referred in Clause (iii) in line with Clause (v) mentioned herein below.
- (iii) Any other events or information 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 shall be disclosed by the Company in line with the Clause (v) mentioned herein below.
- (iv) Events or information with respect to subsidiaries which are material for company shall be disclosed by the company in line with the Clause (v) mentioned herein below.
- (v) Events or information which may have a material effect on the Company and/or as specified by the Board of Directors and recommended by Audit Committee of the Company from time to time and/or such other events or information prescribed by the SEBI or any other authority for disclosure, from time to time shall be disclosed by the Company in line with the provisions mentioned Clause 6(c) herein below.

6. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION AND PROCEDURE FOR DISCLOSURE THEREOF

- 6 A. The Company shall consider the following criteria for determination of materiality of an event or information:
 - (i) The omission of disclosure of such event or information shall lead to discontinuity or alteration of event or information already available publicly.

- (ii) The omission of disclosure of such event or information is likely to result in significant market reaction if the said omission came to light at a later date.
- (iii) An event or information shall be considered to have a material effect on the Company in case such event or information may have an impact of over 1% of consolidated turnover or 10% of consolidated profit before tax, whichever is lesser, on the Company.

6B. PROCEDURE FOR DISCLOSURES

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event or information which may require disclosure so that the event or information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, Chief Financial Officer, Chief Operating Officer, Presidents, Vice Presidents, Head of the Departments and Financial Heads who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Chief Executive Officer and Company Secretary of the Company about any event or information.

On receipt of communication of such event or information the matter will be reviewed and assessed in regard to its accuracy and necessity of disclosures of such event or information in terms of this policy. Where the Company is not certain about materiality of event/information, it may refer the matter to the external legal advice.

The procedure to be followed in relation to the lodgement of announcement of event / information is as follows:

- (i) **Prepare draft announcement to the Stock Exchanges:** The Company will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner.
- (ii) **Lodge Announcements:** The Company Secretary on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges
- (iii) **Post announcement on website:** After lodgment of the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company. All the announcements made under this Policy

shall be kept on the website as per the Archival Policy of the Company.

6C TIME LIMIT FOR DISCLOSURE

The Company shall make disclosure to Stock Exchange(s) of all events specified in Clause 3 of this policy, as soon as reasonably possible but not later than twenty four hours from the occurrence of event or information and/or on becoming aware of it.

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 Point 4 of Annexure-1 of this policy, shall be made within thirty minutes of the conclusion of the board meeting.

7. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

8. COMMUNICATION OF THIS POLICY

Copy of this policy duly approved shall be placed before the Board and circulated among all the Director of the Company for their necessary action. Human Resource and Administration Department are required to notify & communicate the existence and contents of this policy to the employees, functional heads, head of departments, presidents, vice presidents, CEO, COO and CFO of the Company. The new employees shall be informed about the policy by the Human Resource and Administration department. This policy as amended from time to time shall be made available at the Web site of the Company.

ANNEXURE 1

Events that shall be disclosed without any application of the test of materiality:

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 company 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 company 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 Company 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 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 company 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 company),(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 company 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.** 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 company.
 - 13.** Proceedings of Annual and extraordinary general meetings of the Company.
 - 14.** Amendments to memorandum and articles of association of Company, 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 2

Events that shall be disclosed upon application of test of materiality:

- 1.** Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division other than in the ordinary course of business;
- 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 launches other than in ordinary course of business;
- 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 Company 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 Company
- 8.** Litigation(s) / dispute(s) / regulatory action(s).
- 9.** Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of the Company.
- 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.