

Policy  
On  
Determination of Materiality  
For Disclosure of Events / Information



## **1. PREAMBLE**

The purpose of this Policy is to establish criteria for determination of Events / Information, which could be considered as 'Material' for Disclosure to the Stock Exchanges.

The process of determination of an event or information 'as Material' is to be considered in the context of size of the operations and its impact on individual market participants. The duties under securities laws and in particular the disclosure obligations are intended to prevent any information advantage for individual market participants and to ensure that at all times there is transparency which assists in the development of reasonable prices on the stock exchange. Thus, both the capital markets as institutions as well as the individual investors are protected in terms of their investment decisions.

Guided by the principles laid down in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), the Company is required to formulate criteria, based upon which an event or information can be considered as 'Material' for the purpose of disclosure to the Stock Exchanges.

## **2. SCOPE & APPLICABLE REGULATIONS**

The scope of disclosure under this Policy is restricted to the events or information prescribed under the Listing Regulations.

This Policy shall be deemed to have come into force with retrospective effect from December 1, 2015.

## **3. POLICY FOR DETERMINATION OF MATERIALITY**

3.1 The Company considers the following criteria for determination of materiality of events/ information:



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- 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.

3.2 The following events or information shall be considered as material;

- a) Events / information specified in Annexure A of the Policy shall deemed to be material events.
- b) Events / information specified in Annexure B of the Policy shall deemed to be material events based upon threshold limits set therein.
- c) Events / information, which in the opinion of the board of directors is material.

3.3 Save as otherwise provided in Annexure B of this Policy, any of the Company's Key Managerial Personnel (as defined under the Companies Act, 2013) is authorised to determine materiality of an event or information and the Compliance Officer of the Company is authorised to make the necessary disclosure to the Stock Exchanges under Listing Regulations.

## 4 DISCLOSURE OF EVENTS / INFORMATION

- 4.1 Save as otherwise provided, all disclosure shall be made as soon as reasonably possible and not later than 24 hours from the occurrence of event or information,
- 4.2 In case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures, provide explanation for delay, and
- 4.3 Disclosure with respect to events specified in clause 4 of the Annexure A of this Policy shall be made within 30 minutes of the conclusion of the board meeting of the Company.



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- 4.4 All aforesaid disclosure shall be made in the formats prescribed in the Listing Regulations or where no format is prescribed, in the format developed by the Company covering all relevant details pertaining the aforesaid event / information.
- 4.5 With respect to disclosures referred to in the Listing Regulations, the Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 4.6 All disclosures made under the Listing Regulations, shall also be hosted on the Company's website for a period of 5 years and thereafter as per the archival policy of the Company.
- 4.7 The Company shall also make disclosure of all events or information under the Listing Regulations pertaining to its subsidiary and which are material for the Company.

**5 COMPLIANCE OFFICER**

The Company Secretary of the Company shall act as Compliance Officer of the Company for the purpose of this policy.

**6 AMENDMENTS**

**6.1 Statutory Updates**

This Policy is designed particularly in line with provisions of the Listing Regulations and shall be considered as updated automatically, without any formal approval, to the extent it needs to be aligned with any changes notified in the aforesaid Regulations. An update thereon would be reported to the Board of Directors.

**6.2 Other updates**

All major procedural updates, shall be effective only, if those are carried out after the review and approval of the Board of Directors.

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**Annexure A**

**The Company shall disclose to the Stock Exchanges within 24 hours of occurrence of following events / information:**

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; the Company holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company, or; any change exceeding 2% 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 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; and
  - 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), 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 the Company and arrest of Key Managerial Personnel or promoter resulting thereafter.



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7. Change in Directors, Key Managerial Personnel, Auditor and the Compliance Officer.
8. Appointment or discontinuation of Share Transfer Agent.
9. Corporate debt restructuring.
10. One time settlement with a bank (for matter involving amount exceeding 10 mioINR).
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 the Company, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;



<b>Criteria for Determining following Events as Material for Making the Disclosure to the Stock Exchanges</b>		
<b>Sr</b>	<b>Event</b>	<b>Threshold Limit for Determining as Material Event</b>
1	Commencement or any postponement in the date of commencement of Commercial Production or Commercial Operations of any unit / division.	>10% of Revenue
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).	>10% of Revenue
3	Capacity addition or product launch.	> 10% of Revenue
4	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.	>10% of Revenue
5	Litigation(s) / dispute(s) / regulatory action(s) with impact.	>5% of Revenue
6	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	>5% of Revenue
7	Awarding, bagging/ receiving, amendment or termination of awarded /bagged orders/ contracts not in the normal course of business.	>5% of Revenue
8	Fraud/ defaults by directors (other than KMP) or employees of the Company.	> INR 10 million
9	Options to purchase securities including any ESOP/ESPS Scheme.	> INR 200 million
10	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.	> INR 1000 million
11	Giving of guarantees or indemnity or becoming a surety for any third party.	> INR 500 million
12	Effect(s) arising out of change in the regulatory framework applicable to the Company	As may be decided by the KMP of the Company
13	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' the Company to appraise its position and to avoid the establishment of a false market in such shares.	

**Note**

a	Save as otherwise provided in the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, all aforesaid events 'so far considered as material' shall be disclosed to the Stock Exchanges within 24 hours from its occurrence.
b	Any disclosure made to the Stock Exchanges pursuant to provisions of any applicable regulation of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, shall be considered as adequate disclosures under this policy irrespective of threshold limit, manner or timeline as prescribed in this guideline.
c	Terms stated viz, Total revenue, Net worth etc. shall be considered as per the last audited Financial Statements.
d	In case of multiple transactions, the disclosure shall be made for the last transactions triggering threshold limits.
e	Limit shown in the table to be considered for one financial year.

