

Policy for Determination of Materiality of Ramkrishna Forgings Limited

Scope and Purpose

The Securities Exchange Board of India, on 2nd September, 2015, has come out with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015). By virtue of the said Regulations, 2015, **Ramkrishna Forgings Limited** (the "Company") recognizes the need to frame a policy to determine the material events by testing the materiality as required under Regulation 30 for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

The purpose of this Policy is to ensure fair disclosure of material information to the public and to make sure that the disclosure is prompt, correct, relevant and not misleading, and that all market participants have simultaneous access to any share price sensitive information. This document describes the Company general guidelines for disclosing information to company's stakeholders and other media, and defines the responsibilities especially in matters relating to information disclosure and investor relations.

This Policy for Determination of Materiality (the 'Policy') has been adopted by the Board of Directors of the Company at its Meeting held on 12th February, 2016.

1. Applicability

This Policy shall be applicable to all events in the Company, as and when they come under the criteria enumerated in the Policy.

2. Definitions

2.1. "**Board**" shall mean the Board of Directors of the Company;

2.2. "**Company**" shall mean Ramkrishna Forgings Limited;

2.3. "**Compliance Officer**" shall mean the Company Secretary of the Company;

2.4. **“Key Managerial Personnel / KMP”** means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i.e.-

- a. Chief Executive Officer (CEO)/ Managing Director (MD)/ Manager;
- b. Whole-time Director (WTD);
- c. Chief Financial Officer (CFO);
- d. Company Secretary (CS).

2.5. **“Market Sensitive Information”** shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company's sector.

2.6. **“Officer”** means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.

2.7 “Listing Regulations 2015” mean SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

3. Policy

A. Unless otherwise decided by the Board, the Chief Financial Officer and the Company Secretary shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange.

The contact details of the KMPs so designated shall be disclosed to the stock exchange and also be placed on the Company's website.

B. Certain information would be per se Material Information as per Para A of Part A of Schedule III of the Listing Regulations, 2015 (copy of which is enclosed as **Annexure I**).

C. Besides per se Material Information, an event / information as mentioned in Para B, C & D of Schedule III of the Listing Regulations 2015 (copy of which is enclosed as **Annexure II**) , would be deemed as Material Information under following circumstances:

- i. Where the event/information impacts sales, if is likely to have an impact of 10 (Ten) % or more on the gross turnover as per the last consolidated accounts of the Company;
- ii. Where the event/information impacts Profit Before Tax (PBT), if is likely to have an impact of 10 (Ten) % or more on the PBT of the Company as per the last consolidated accounts of the Company;
- iii. Where the event/information impacts Assets or liabilities, if is likely to have an impact of 10 (Ten) % or more on Net-worth of Company as per the last consolidated accounts of the Company;

An illustrative list of the events to which the guidelines at clause 3 C above would be applied shall be as per Para B, C and D of Part A of Schedule III of the Listing Regulations, 2015.

D. In addition to above, the Company shall also consider the following criteria for determination of materiality of events/ information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. 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;
- iii. In case where the criteria specified in clause (i) and (ii) above are not applicable, an event/information may be treated as being material if such event/information is covered by criteria specified under Clause C above.

4. Interpretation

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

5. Disclosure

The authorized persons shall observe the following for proper and timely disclosure to the Stock Exchanges (where shares of the company are listed) of any material events/ information as defined hereon:

1. For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
2. Disclosure of the events enumerated in sub para 4 of para A of Part A of the Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
3. All other events mentioned under para A and Para B of Part A of of the Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 other than those mentioned in the above clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
4. Disclosure of any material development of any event/information disclosed in past shall be made on a regular basis of any event, till the time the event is resolved/ closed.
5. All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years.

6. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.

7. 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.

Authority to make alterations

The Board is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.

Place: Kolkata

By Order of the Board

Date: 12th February, 2016

Annexure 1

SCHEDULE III

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES

[See Regulation 30]

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (2) of regulation (30) of Para A of Part A of Schedule III.

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. 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 II

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (3) 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.Granted, 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.