

ANNEXURE F

SOBHA LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

I. OBJECTIVE:

The Securities and Exchange Board of India has formulated the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) to ensure timely, adequate and accurate disclosure of information on an ongoing basis.

In accordance with Regulation 30 of the Listing Regulations, the Company has formulated this Policy for Determination of Materiality of Events and Information (the “Policy”) for disclosure of material events / information to the stock exchanges.

The Policy shall be effective from December 01, 2015.

II. SCOPE:

The Policy shall be read in conjunction with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information contained in the Code of Conduct for Prevention of Insider Trading of the Company.

The Policy shall apply to the Company and its subsidiaries.

III. DEFINITIONS:

The words and terms used in the Policy shall have the same meaning ascribed to them as under the relevant Securities Laws / Companies Act unless otherwise specified.

IV. DISCLOSURE OF EVENTS AND INFORMATION:

The events and information which require disclosure by the Company to the stock exchanges may be classified into the following categories:

- A. Events which are deemed to be material events and whose disclosure is mandatory. **Annexure A** contains the indicative list of such events.
- B. Events whose materiality should be determined based on the guidelines laid down in this Policy and whose disclosure is mandatory, if considered material. **Annexure B** contains the indicative list of such events.
- C. Information having bearing on the performance/operation of the Company and/or price sensitive information in respect of Non-Convertible Debt Securities. **Annexure C** contains the indicative list of such information.

V. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION:

The Company shall consider the following criteria for determination of materiality of events / information covered under Clause III (B) above:

- 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 “Authorised Officials”, the event / information is considered material.

VI. CONTENTS OF DISCLOSURES AND GUIDANCE ON OCCURRENCE OF EVENTS:

When disclosing the events and information to the stock exchanges as per this Policy and when determining when an event / information is said to have occurred, the Company shall follow the guidelines specified in SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 as may be amended or substituted from time to time.

VII. TIMELINESS OF DISCLOSURES:

The Company shall ensure that material events and information are disclosed to the stock exchanges as under:

- a. Events and information covered under Clause III shall be disclosed soon as reasonably possible and not later than twenty four hours from the occurrence of event or information unless a different time period has been prescribed by the Listing Regulations in this behalf
- b. The Company, with respect to disclosures referred to in this Policy, shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

VIII. AUTHORITY FOR DETERMINING MATERIALITY AND FOR MAKING DISCLOSURES:

The Vice Chairman & Managing Director, Chief Financial Officer and Company Secretary & Compliance Officer of the Company (the “Authorised Officials”) are severally and jointly authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchanges under this Policy and the contact details of the “Authorised Officials” are provided in **Annexure D**.

IX. AMENDMENTS TO THE POLICY:

The Policy may be amended, altered, substituted or modified by the Board of Directors from time to time.

X. DISEMMINATION OF THE POLICY:

The Policy, as amended from time to time, shall be placed on the website of the Company.

ANNEXURE A

The events specified in Para A of Part A of Schedule III of the Listing Regulations (as amended from time to time) which is reproduced below are deemed to be material events and the Company shall make disclosure of such events.

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 (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. 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 B

The events specified in Para B and Para C of Part A of Schedule III of the Listing Regulations (as amended from time to time) which is reproduced below shall be disclosed upon application of the guidelines for materiality referred to in this Policy:

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):

B. Events which shall be disclosed upon application of the guidelines for materiality:

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.

ANNEXURE C

The information specified in Part B of Schedule III of the Listing Regulations (as amended from time to time) which is reproduced below shall be disclosed by the Company:

SCHEDULE III

PART B: DISCLOSURE OF INFORMATION HAVING BEARING ON PERFORMANCE/OPERATION OF LISTED ENTITY AND/OR PRICE SENSITIVE INFORMATION: NON-CONVERTIBLE DEBT SECURITIES & NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES

[See Regulation 51(2)]

A. The listed entity shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares including:

- (1) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;
- (2) any attachment or prohibitory orders restraining the listed entity from transferring non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;
- (3) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;
- (4) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
- (5) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
- (6) any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;
- (7) any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;

- (8) details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any;
- (9) delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;
- (10) failure to create charge on the assets within the stipulated time period;
- (11) any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the listed entity with any investor(s)/lender(s).

Explanation.- For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.

- (12) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (13) any revision in the rating;
- (14) the following approvals by board of directors in their meeting:-
 - a) the decision to pass any interest payment;
 - b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
- (15) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non-convertible debt securities;
- (16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

ANNEXURE D

Contact Details of Authorised Key Managerial Personnel

For the purpose of determining materiality of an event or information and for making disclosures to stock exchanges:

Name	Designation	Email ID	Phone No
Mr. J C Sharma	Vice Chairman and Managing Director	mdsoffice@sobha.com	080-49320000
Mr. Subhash Mohan Bhat	Chief Financial Officer	subhash.bhat@sobha.com	080-49320000
Mr. Vighneshwar G Bhat	Company Secretary and Compliance Officer	vighneshwar.bhat@sobha.com	080-49320000