



Ester Industries Limited

**Policy on Determination of Materiality for Disclosure of
Events or Information**

1. INTRODUCTION

This Policy on Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Ester Industries Limited, to determine the materiality of events or information, which ensure timely and adequate dissemination of information to the Stock Exchanges.

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India (SEBI) under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information and approved by the Board of Directors in its meeting held on 10th February, 2016.

2. DEFINITIONS

- (a) **“Act”** means the Companies Act, 2013 (and the Rules made thereunder) and the Companies Act, 1956 to the extent applicable.
- (b) **“Board of Directors”** means the Board of Directors of the Company.
- (c) **“Company”** means Ester Industries Limited.
- (d) **“Key Managerial Personnel (KMPs)”** means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- (e) **“Listing Regulations”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (f) **“Net Worth”** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- (g) **“Policy”** means this policy, as amended from time to time.
- (h) **“Stock Exchange”** means Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- (i) **“Turnover”** means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

The words and phrases used in this Policy and not defined here shall derive their meaning from the Applicable Law.

3. GUIDELINES FOR ASSESSING MATERIALITY

- A.** The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations without any application of any guidelines for materiality as stated in this policy
- B.** The Company shall disclose all such material events pertaining to itself or its subsidiary, specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of following criteria –

I. Quantitative criteria

Materiality of event/information would be determined on the basis of audited financial statements of the last audited financial year, and would mean event/information where the value involved or the impact-

- (a) exceeds 10% (ten percent) of the consolidated Turnover, or
- (b) exceeds 25% (twenty five percent) of the consolidated Net Worth; whichever is lower.

II. Qualitative criteria

- (a) An event/information may be treated as being material, if the omission of such event or information, is likely to -
 - i. result in a discontinuity or alteration of an event or information already available publicly; or
 - ii. result in significant market reaction if the said omission came to light at a later date;
- (b) In case where the criteria specified in above sub-clauses (a) is not applicable, an event/information may be treated as being material if in the opinion of the Board of directors, the event / information is considered material.

4. AUTHORISED PERSON FOR DISCLOSURE

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and making disclosures to Stock Exchange (Authorized Person)-

- I. Chairman
- II. Chief Financial Officer
- III. Company Secretary

5. OBLIGATIONS OF INTERNAL STAKEHOLDERS AND AUTHORIZED PERSON FOR DISCLOSURE

- I. Any event or information, including the information forming part of Para A and Para B of Part A of Schedule III to the Policy shall be forthwith informed to the Authorized Person upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- II. The Authorized Person will then ascertain the materiality of such events or information based on the above guidelines.
- III. On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosures to the Stock Exchanges.

6. 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 this policy is changed to conform to the law, rule, Regulation or standard.

7. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.