

HUBTOWN

HUBTOWN LIMITED

**POLICY ON DETERMINING
MATERIALITY OF EVENTS / INFORMATION**

[EFFECTIVE FROM DECEMBER 1, 2015]

HUBTOWN LIMITED
POLICY ON DETERMINING OF MATERIALITY
OF
EVENTS AND INFORMATION
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HUBTOWN LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS AND INFORMATION

1. PREAMBLE :

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations, 2015'), which becomes effective from December 1, 2015, requires every listed company to frame a policy for determining the materiality of events or information, for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchanges.

This Policy for determination of materiality of events and information has been framed in accordance with the requirements of Regulation 30 (4) (ii) of SEBI Listing Regulations, 2015 and has been approved and adopted by the Board of Directors of the Company in its meeting held on November 14, 2015.

2. OBJECTIVE OF THE POLICY :

This Policy sets out criteria for determining the materiality of events or information in relation to the Company which would then be adequately disseminated to the Stock Exchanges where the securities of the Company are listed. This Policy has been designed to govern the disclosure and reporting requirements so as to ensure fairness and promptness in the reporting and disclosure of material events or information as may be applicable in spirit as well as in compliance with the applicable laws, rules and regulations.

3. APPLICABILITY :

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

4. EFFECTIVE DATE :

This Policy is effective from December 1, 2015.

5. DEFINITIONS :

- (a) "Act" means the Companies Act, 2013 and the Rules framed thereunder, including any modifications or re-enactment thereof.
- (b) "Associate" shall mean any entity which is an associate under sub-section (6) of Section 2 of the Companies Act, 2013.
- (c) "Board of Directors" or "Board" means the Board of Directors of Hubtown Limited as constituted from time to time.
- (d) "Company" means Hubtown Limited.
- (e) "Compliance Officer" shall mean the Company Secretary of the Company.

- (f) **"Designated Securities"** means :
- (i) Specified Securities;
 - (ii) Non-convertible debt securities;
 - (iii) Non-convertible redeemable preference shares;
 - (iv) Perpetual debt instrument;
 - (v) Perpetual Non-cumulative preference shares;
 - (vi) Indian Depository Receipts;
 - (vii) Securitised debt instruments;
 - (viii) Any other securities as may be specified by the Securities and Exchange Board of India.
- (g) **"Key Managerial Personnel"** means key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.
- (h) **"Listing Agreement"** shall mean an agreement that is entered into between a recognised stock exchange and the Company pursuant to the Listing Regulations
- (i) **"Material Event"** or **"Material Information"** means any event or information concerning the Company which in the opinion of the Board is material and includes event or information, the omission of which, :
- (i) is likely to result in discontinuation or alteration of event or information already available publicly; or
 - (ii) is likely to result in significant market reaction if the said omission came to light at a later date.
- (j) **"Material Subsidiary"** shall mean any subsidiary of the Company which is or has been determined as a material subsidiary in accordance with the provisions of the Listing Regulations.
- (k) **"Non-convertible Debt Securities"** which is 'debt securities' as defined under regulation 2 (1) (e) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (l) **"Officer"** shall include officers as defined in sub-section (59) of Section 2 of the Companies Act, 2013.
- (m) **"Policy"** means this Policy on criteria for determining materiality of events or information and as may be amended from time to time.
- (n) **"Regulations"** or **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars, notifications or re-enactment thereof.
- (o) **"Stock Exchange"** means the stock exchange(s) where the securities of the Company are listed.
- (p) **"Specified Securities"** means 'equity shares' and 'convertible securities' as defined under clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (q) **"Subsidiary"** means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

6. RELEVANT REGULATIONS :

1. Para (A) of Part (A) of Schedule III to SEBI Listing Regulations, 2015 stipulates a list events, upon occurrence of which, the Company shall make disclosure to the stock exchanges;
2. Para (B) of Part (A) Schedule III to SEBI Listing Regulations, 2015 stipulates a list events which may or may not be material to the Company but which shall be disclosed upon applicability of the guidelines for 'materiality' as specified in Regulation 30 (4).

7. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION :

Events / Information shall be considered as "**MATERIAL**" if it meets any of the following criteria :

- (a) the event or information is in any manner 'Unpublished Price Sensitive Information';
- (b) the omission of event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) 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; and
- (d) any other event or information which is considered as 'material' in the opinion of the Board of Directors of the Company.

8. DISCLOSURES OF EVENTS OR INFORMATION :

- (a) All events specified in **Annexure 'A'** other than the events enumerated in serial no. 4 shall be disclosed by the Company as soon as reasonably possible and not later than twenty-four hours from the occurrence of the event or information.
- (b) Disclosure of events specified in serial no. 4 of **Annexure 'A'** shall be made within thirty minutes of the conclusion of the Board meeting at which such events are discussed alongwith the time of commencement and conclusion of the Board meeting.
- (c) The Company shall make disclosure of the events specified in **Annexure 'B'** if the impact of such event / information of the Company **exceeds 20 % (twenty percent) of the annual consolidated turnover or 20 % (twenty percent) of the consolidated networth of the Company, whichever is lower**, based on the last audited financial statements of the Company **not later than 24 hours of the occurrence of the event or information.**
- (d) The Company shall make disclosure of any other information as specified in **Annexure 'C'** that is likely to affect business.

- (e) The Company shall promptly inform to Stock Exchanges of all information as specified in **Annexure 'D'** which shall have a bearing on the performance / operation of the Company or is considered to be unpublished price sensitive information or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares.
- (f) The Company shall, with respect to the aforesaid disclosures, make disclosures updating material developments on a regular basis, till such time the event is resolved /closed, with relevant explanations.
- (g) The Company shall also disclose all events or information with respect to its Subsidiaries which are material for the Company.
- (g) The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange(s) with respect to any events or information.
- (h) The Company shall on its own initiative confirm or deny to the Stock Exchanges, any event or information reported in the media.
- (i) In case where any event occurs or an information is available with the Company, which has not been indicated in Annexure 'A' or Annexure 'B' or Annexure 'C', but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

However, it may so happen that the Company and/or its officers, based on the preliminary information about an event, cannot reasonable determine whether an information is material. In such a case, the Company and/or its officers shall be construed to have become aware of the event / information when the probable impact of the event/information becomes known / assessable.

All the above disclosures shall be uploaded on the website of the Company for a minimum period of five years and thereafter archived as per Company's Policy for archival of Events and Information.

The above disclosure criteria is in accordance with Regulation 30 and Schedule III to the Listing Regulations and therefore, any modification and/or amendment made thereto in the Listing Regulations, shall automatically apply upon the aforementioned disclosure criteria.

9. AUTHORITY TO MANAGERIAL PERSONNEL :

- (a) The Executive Chairman, Managing Director, President, Chief Financial Officer and the Company Secretary Board of the Company are severally authorised by the Board to determine whether any event or information is material and for the purposes of making disclosures to the stock exchanges and on the website of the Company.
- (b) The Compliance Officer or any other official of the Company authorised by the Board May sign the disclosures to be sent to the stock exchanges and upload the same on the website of the Company

10. AMENDMENTS :

In case there are any regulatory changes requiring modifications to this Policy, the Policy shall be reviewed and amended by the Managing Director and/or the Compliance Officer. However, the amended regulatory requirements will supersede this Policy till such time the Policy is suitably amended.

11. LIMITATION :

In the event of any conflict between the provisions of this Policy and the Listing Agreement or the Companies Act, 2013 or the Regulations or any other statutory enactment(s), the provisions of the Listing Agreement / Companies Act, 2013 / Regulations / statutory enactment(s) shall prevail over this Policy and the provision(s) so repugnant shall be deemed to be severed from this Policy and the rest of the Policy shall remain in force.

12. DISSEMINATION OF THE POLICY :

This Policy shall be uploaded on the website of the Company and the address of such web link thereto shall be provided in the Annual Report of the Company.

EVENTS AND INFORMATION SPECIFIED IN PARA 'A' OF PART 'A' OF SCHEDULE III WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR 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 percent 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/dispached;
 - 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), 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 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 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;

EVENTS AND INFORMATION SPECIFIED IN PARA 'B' OF PART 'A' OF SCHEDULE III WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY

1. Change in the general character or nature of business brought about by arrangements for strategic, technical, or marketing tie-up, adoption of new lines of business.
2. Launching of new projects.
3. Awarding, bagging/ receiving, amendment or termination of Awarded / bagged orders/contracts not in the normal course of business.
4. 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.
5. Disruption of operations of any one or more sites of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or other events.
6. Effect(s) arising out of change in the regulatory framework applicable to the Company.
7. Litigation(s) / dispute(s) / regulatory action(s) with impact.
8. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
9. Options to purchase securities including any ESOP/ESPS Scheme.
10. Giving of guarantees or indemnity or becoming a surety for any third party.
11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

NOTE :

SEBI Circular dated September 9, 2015 has provided the details that need to be furnished while disclosing events or information specified in Paras (A) and (B) of Part (A) of Schedule III to SEBI Listing Regulations, 2015.

ANY OTHER INFORMATION / EVENT VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS :

1. Emergence of new technologies for execution of real estate project, construction and development.
 2. Any change of accounting policy that may have a significant impact on the accounts, etc.
 3. 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 to avoid the establishment of a false market in such securities.
 4. Any market sensitive information as may be determined by the Managing Directors and the President from time to time.
 5. Any event which in the view of the Board / Executive Directors of the Company is material.
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DISCLOSURE OF INFORMATION WITH RESPECT TO LISTED NON-CONVERTIBLE DEBT SECURITIES

- (1) Expected default in timely payment of interests or redemption or repayment amount or both in respect of the non-convertible debt securities and also default in creation of security for debentures as soon as the same becomes apparent;
- (2) Any attachment or prohibitory orders restraining the Company from transferring non-convertible debt securities 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 or in part of any non-convertible debt securities;
- (4) Any action that shall affect adversely payment of interest on non-convertible debt including default by the Company 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 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 operations;
- (7) Any events such as strikes and lock outs which have a bearing on the interest 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, the Company and /or the assets along with its comments thereon, if any;
- (9) Delay/ default in payment of interest / 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 the Company 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 debt securities;
- (16) Any other change that shall affect the rights and obligations of the holders of non-convertible debt securities, 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 Company as well as price sensitive information.

Title	Policy on criteria for determining materiality of Events	Approved by	Board of Directors
Version	1	Date	November 14, 2015