

# **SIL Investments Limited**

## **Policy for determination of materiality of events**

### **1. CONCEPT**

#### **1.0. Introduction**

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), SIL Investments Limited (“the Company”) is required to formulate a policy for determination of materiality of events and information which are required to be disclosed to the stock exchanges where the securities of the Company are listed (“Stock Exchanges”).

#### **1.1 Purpose**

The purpose of this Policy is to determine “materiality” of events and information, and to ensure that the Listed entity shall make disclosure of events / transaction / information in terms of Regulation 30 of Listing Regulations [specified in para A and B of Part A of Schedule III of the Listing Regulations (as amended from time to time) to the Stock Exchanges.

#### **1.2. Authority**

The Board of Directors of the Company at its meeting held on November 5, 2015 authorized the Audit Committee of the Board to approve and adopt this “Policy for Determination of Materiality of Events for Disclosure to Stock Exchanges” (“Policy”). Accordingly, this Policy has been approved and adopted by the Audit Committee of the Board of Directors of SIL, and shall be effective from December 1, 2015. The Policy shall also be displayed on the website of the Company.

### **2. DETERMINATION OF MATERIALITY**

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criterion and thresholds shall be considered for determination of materiality of events and information:

#### **2.1 Qualitative Materiality Criterion:**

- a) The omission of an event or information 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 criterion specified in sub-clauses (a) and (b) above are not applicable, an event/ information may be treated being material, if in the opinion of the Board of Directors of the Company, the event or information is considered material.

## **2.2 Quantitative Materiality Threshold:**

The event or information, whose value or the expected impact in terms of value, exceeds the lower of the following is considered “material”:

- a) two per cent of turnover, as per the last audited consolidated financial statements of the listed entity;
- b) two per cent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
- c) five per cent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.

## **3. MATERIAL EVENTS AND INFORMATION**

**3.1.** The events specified in Schedule III [Para A of Part A] to the Listing Regulations shall be deemed to be material events for the purpose of disclosure to the Stock Exchanges, without application of materiality criterion/ thresholds given in clause 2 above.

**3.2.** The events and information specified in Schedule III [Para B of Part A] to the Listing Regulations, after application / conforming to (a) the qualitative materiality criterion given in clause 2.1 above; or (b) quantitative materiality thresholds given in clause 2.2 above, shall be considered material for the purpose of disclosure to the Stock Exchanges in terms of Regulation 30(3) of the Listing Regulations.

**3.3** The aforesaid events and information shall be disclosed to the Stock Exchanges in the manner prescribed under Listing Regulations.

**3.4** Without prejudice to the generality of the foregoing, the Company shall also disclose any other event or information to the Stock Exchanges which is considered material by the Director-in-Charge and Chief Financial Officer or the Board of Directors of the Company.

## **4. IMPLEMENTATION**

### **Determination of Materiality: Authorization for determination of materiality of event or transaction or information**

The Company’s Key Managerial Personnel (KMPs) in charge of businesses i.e. the Director-in-Charge and the Chief Financial Officer shall decide the “Materiality” of any event / transaction / information based on the above guidelines / criteria for the purpose of disclosure to the Stock Exchanges and intimate the Company Secretary to disclose the information.

### **Disclosure of Material Information:**

Upon receipt of the intimation, the Company Secretary to disclose the said information to the Stock Exchange(s) under Regulation 30 of Listing Regulations. However, such disclosures can also be made either by the Director-in-Charge or by the Chief Financial Officer of the Company.

**5. GENERAL**

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. In case any provisions of this Policy are contrary to or inconsistent with provisions of the Companies Act, 2013, rules framed there under and Listing Regulations (“Statutory Provisions”), the provisions of Statutory Provisions shall prevail.

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