



# **J. J. AUTOMOTIVE LIMITED**

## **POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT / INFORMATION**

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### **1. Legal Framework**

This Policy for Determination of Materiality of Events or Information (the "Policy") is aimed at providing guidelines to the Management of J. J. Automotive Limited (the "Company"), to determine the materiality of events or information, which could affect the investment decisions and 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 02, 2015, the Board of Directors of the Company in its meeting held on November 09, 2015 approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time. This Policy will be applicable to the Company effective December 1, 2015.

### **2. Objective**

The objective of this Policy is to serve as a guiding charter to the Management to ensure timely and adequate disclosure of events or information are made to the investor community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company.

### **3. Applicability**

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

i. The Company shall make disclosure of events specified in Para A of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, without applying any test of materiality to the stock exchanges within specified timelines.

ii. The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations, as may be amended from time to time, based on application of the criteria for determination materiality as specified in para 4.

iii. 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 Company which may be necessary to enable the shareholders of the Company to appraise its position and to avoid the establishment of a false market in such securities, would be disclosed as advised by the Board from time to time.

iv. The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors, is material. In case where an event occurs or information is available with the company, which has not been indicated in sub-para i, ii and iii above, but which may have material effect on it, the Company would make adequate disclosures in regard thereof.

#### **4. Criteria for determination of materiality of events / information**

The Company shall consider the following criteria for determination of materiality of event / information as stated in sub-para ii and iii above:-

##### **Quantitative criteria would be calculated based on:**

Audited financial statements of the last audited financial year, and would mean event/information where the value involved or the impact:

- (a) exceeds ten per cent of the consolidated gross turnover, or
  - (b) exceeds ten per cent of the consolidated net worth;
- whichever is higher.

##### **Qualitative criteria would mean an event/ information:**

- 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 Board of Directors of listed entity, the event / information is considered material.

Without prejudice to the generality of the above, the Company may make disclosures of event/information as specified by the Board from time to time.

## **5. Disclosure of material events / information**

The Company shall disclose to the stock exchanges of all events, specified in Para A of Part A of Schedule III or information as soon as reasonably possible and not later than 24 hours from the occurrence of the event/information. In the event the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with such disclosures provide an explanation for such delay.

The disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the stock exchanges with relevant explanations.

The Company shall also disclose all events or information with respect to subsidiaries which are material, if any, for the Company.

## **6. Authorization for disclosures**

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

- a. Managing Director
- b. Company Secretary

The materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

## **7. Disclosure on the website of the Company**

The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

## **8. Amendment**

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time.