



Resonance Specialties Limited

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Policy on Determination of Materiality of Events

1. **PURPOSE:**

The Securities and Exchange Board of India (“SEBI”), vide its Notification dated September 2, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Listing Regulations come into force from December 1, 2015. Regulation 30 of the Listing Regulations has mandated listed companies to adopt and implement a policy on preservation of documents. Listing Regulations mandate listed entities to formulate a policy for Determination of Materiality of Events. Hence, the policy on Determination of Materiality of Events (“Policy”) is being framed and implemented.

2. **Definitions:**

- a. “**Board**” means the Board of Directors of the Resonance Specialties Limited.
- b. “**Company**” means Resonance Specialties Limited.
- c. “**Chief Financial Officer**” means the person heading and discharging the finance of the listed entity as disclosed by it to Bombay Stock Exchange in its filing under Listing Regulations/
- d. “**Compliance Officer**” means the Company Secretary of the Company.
- e. “**Director**” means a member of the Board.
- f. “**Generally Available Information**” means the information that is accessible to the public on a non-discriminatory basis.
- g. “**Key Managerial Persons**” means person as defined in Section 2(51) of the Companies Act, 2013.
- h. “**Policy**” means the Policy on determination of Materiality and/ or Price Sensitive information to the stakeholders under the Listing Regulations.
- i. “**Stock Exchange**” means Bombay Stock Exchange.

3. **EFFECTIVE DATE:**

This Policy shall be effective from December 1, 2015.

4. **OBJECTIVES & INFORMATION:**

The objective of this Policy is to ensure timely dissemination of information to stakeholders by making relevant information available in the public domain. The information covered by this policy shall include “information related to the Company’s business, its operations, or

performances which has a significant impact on the securities investment decisions i.e. material information.

5. CLASSIFICATION OF MATERIAL EVENTS/ INFORMATION:

I. Deemed to be Material information:

The events mentioned below and also specified in Para A of Part A of Schedule III of the Listing Regulations shall be disclosed to the Stock Exchange necessarily and immediately without any application of guidelines:

A. Information to be disclosed as soon as possible but no later than 24 hours of the occurrence of the event / information:

- (a)** 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 per cent of the total shareholding or voting rights in the said company.
- (b)** 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.
- (c)** Revision in Rating(s)
- (d)** 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.
- (e)** Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.
- (f)** Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
- (g)** Appointment or discontinuation of share transfer agent.

- (h) Corporate debt restructuring.
- (i) One time settlement with a bank.
- (j) Reference to BIFR and winding-up petition filed by any party/ creditors.
- (k) 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.
- (l) Proceedings of Annual and extraordinary general meetings of the Company.
- (m) Amendments to memorandum and articles of association of the Company, in brief.
- (n) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

The company will ensure that no material information is disclosed selectively to any one or group of research analysts or investors to the disadvantage of other stakeholders. In the unlikely event of any material information being disclosed selectively, inadvertently or otherwise at a meeting with analysts or at any investor relations conference, such information would be promptly disclosed to the stock exchange(s).

B. Information to be disclosed as soon as possible but no later than 30 minutes of the conclusion of the meeting of the Board of Directors of the Company held to consider those information:

- (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 72 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 Company from stock exchange(s).

II. Events/ Information which shall be disclosed upon application of the guidelines for materiality as soon as possible but no later than 24 hours of the occurrence of the event/ information:

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 Company 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 Company.
 8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
 9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
 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 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.

Where the company makes disclosure to the stock exchange under Clauses I and II above, the Company will also disclose material developments on the said event/ information.

6. Authorisation for Disclosure:

The Managing Director, Chief Financial Officer and Company Secretary of the Company are severally/ jointly authorised for the purpose of making disclosures to stock exchange under this Policy.

7. Amendment and Review of the Policy:

The Board shall have the power to clarify any doubts or rectify any anomalies that may arise in connection with effective execution of this Policy. The Board reserves the right to review and/ or amend this Policy from time to time based in changing Regulatory requirements.

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