

Policy for Determination of Materiality for “Prakash Pipes Ltd.

Under Regulation of the (Listing Obligations and Disclosures Requirements) Regulation, 2015
Read with the Schedule III of the said Regulations

I. PREAMBLE:

The Board of Directors (Board) of Prakash Pipes Ltd (the Company has adopted the following policy and procedure with regard to Determination of Materiality as defined below. The Board will review and may amend this policy from time to time.

2. PURPOSE:

This policy is framed as per requirement of Regulation (Listing Obligations and Disclosures Requirements) Regulation, 2015 as amended from time to time.

3. INTRODUCTION:

News or details that may reasonably be expected to affect a company's stock price and thus decisions that investors make about buying or selling the company's stock. Material events may be the addition or loss of a large customer, falling or rising sales, a merger agreement, financial results above or below expectations, or a change in the company's dividend policy.

In order to enable investors to make well informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. There is a need of uniformity in disclosures to ensure compliance in letter and spirit.

4. DEFINITIONS:

I. Act: Means the Companies Act, 2013

II. Board of Directors: Board of Directors of Prakash Pipes Ltd.

III. The Company: Means Prakash Pipes Ltd.

IV. LOADR Regulation: Means (Listing Obligations and Disclosures Requirements) Regulation, 2015

V. Compliance Officer: The Officer appointed by the Board of Directors of the Company for the purpose of these regulations from time to time.

VI. SEBI: The Securities Exchange Board of India

VII. Rules: Rules made under the Companies Act, 2013.

VIII. Regulation: Regulation made under the Act.

IX. Material Event: Reasonably be expected to affect a company's stock price.

X. Stock Exchanges: Stock Exchanges, where the equity shares of the Company are listed i.e. BSE Ltd and NSE.

5. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS, THE COMPANY SHALL MAKE DISCLOSURE OF SUCH EVENTS:

Company shall disclose all such material events which are specified in para A of part A of Schedule III of the LOADR Regulation.

The Following shall be events upon occurrence of which company shall make disclosure to Stock exchanges without any application of the guidelines for materiality as specified in regulation (2) of regulation

I. 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.

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 Ratings

4. Outcome of Meetings of the board of directors. The Company shall disclose to within 30 minutes of the closure of the Board 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...
- 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 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)

5. Agreement(s) (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)/contracts with media companies) which are binding and not in normal course of business, or and thereof.

6. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
7. Change in directors, key personnel (Managing Executive Officer, Chief Financial Officer, Company Secretary, 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 listed entity.
13. Proceeding of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of listed, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial Results made by the Company to analysts or institutional investors;

6. EVENTS WHICH DEPEND ON APPLICATION OF GUIDELINES; THE COMPANY SHALL MAKE DISCLOSURE OF SUCH EVENTS:

The Company shall disclose all such material events specified in para B of part A of Schedule III of the LOADR Regulation subject to application of guidelines for materiality.

The Following shall be events upon occurrence of which company shall make disclosure to Stock exchanges subject to application of the guidelines for materiality as specified in sub-regulation (3) of regulation (30):-

I. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

Materiality:-Commencement or postpone of commercial production directly influence the share price of the Company. the event shall be considered as material event, if the turnover from such proposed business is exceeding 20% of the total turnover in the preceding financial year audited financial results.

II. 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)

Materiality:-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 may affect company's share price directly or indirectly and omission of the events or information is likely to result in significant market reaction. Therefore, the event shall be considered as material event, if the turnover from such business is exceeding 20% of the total turnover in the preceding financial year audited financial results

III. Capacity addition or product launch.

Materiality:-Increasing capacity of existing plant or unit of the Company and launching any new product automatically increase the goodwill of the Company and help to brand building, therefore, the event shall be considered as material event, if the turnover from such proposed business is exceeding 25% of the total turnover in the preceding financial year audited financial results.

IV. Awarding, receiving, amendment or termination of awarded/bagged contracts not in the normal course of business.

Materiality:- Getting contracts are under the normal course of business but if company gets any extra ordinary order; it shall be considered material event, if the turnover from each such order or contract is exceeding 20% of the total turnover in the preceding financial year audited financial results.

Further getting any award of national recognized institution of the Government agency to the company or any of its Directors or Key Managerial Personnel shall be considered material event.

V. Agreements (Viz. Loan agreements) (as a borrower) or any other which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.

Materiality:- The Company is not required to disclose agreement which are in the of ordinary business.

For other Agreement for borrowings by way of term loan exceeding the turnover in the preceding financial year or Rs.250 Crores, whichever is more, shall be considered material.

VI. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

Materiality: Disruption of operations in the unit of the Company due to natural calamity, force majeure or strikes, lockouts etc for exceeding 15 working days shall be considered material event in all cases.

VII. Effects arising out of change in the regulatory framework applicable to the Listed entity.

Materiality: Due to change in regulatory framework applicable to company, such as applicable compliance requirement is not required to disclose to the stock exchange.

VIII. Litigation(s)/ Disputes/ Regulatory actions with impact etc. by directors (other than key managerial personnel) or employees of listed entity.

Materiality:- Only material and regulatory action is to be disclosed which have material impact of the Company's financial position exceeding 20% of the Net Worth or Rs. 250 Crores in each case whichever is higher. The test of material impact shall be decided by Board of Directors.

IX. Fraud/defaults etc. by directors or by key managerial personnel or employees of listed entity.

Materiality: The Board shall decide the materiality in respect of frauds/ defaults etc. by directors or key managerial personnel or employees and the same shall be disclosed to Stock exchanges

X. Options to purchase securities including any ESOP/ESPS Scheme.

Materiality: The Company shall promptly disclose without applying any materiality.

XI. Giving of guarantees or indemnity or becoming a surety for any third party.

Materiality: The Board shall decide the materiality in respect of giving of guarantees or indemnity or becoming a surety for any third party and the same shall be disclosed to Stock exchanges.

XII. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Materiality: Board of Directors of the Company shall decide which licenses are key licenses and the same shall be disclosed to Stock exchange.

7. ANY OTHER INFORMATION/EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY:

Materiality:- Only material and regulatory action is to be disclosed which have material impact of the Company's financial position exceeding 20% of the Networth or Rs. 250.00 Crores in each case whichever is higher.

8. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR PURPOSE OF MAKING DISCLOSURE TO STOCK EXCHANGE:

The following KMPs is 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:-

1. Shri Kanha Agarwal, Managing Director
2. Shri Pawan Kumar: Company Secretary and Compliance Officer

Details of above KMPs shall be also disclosed to the stock exchange and as well as on the Company's website

9. TIME LIMIT FOR DISCLOSURES OF EVENT OR INFORMATION TO THE STOCK EXCHANGES:

The Company shall disclose to stock exchange all events, as specified in Part A of Schedule of LOADR Regulation, or *information within twenty four hours from the occurrence of event or information.*

In case 'the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

Disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule of LOADR Regulation *shall be made within thirty minutes of the conclusion of the board meeting.*

10. DISCLOSURES ON COMPANY'S AND DISCLOSURES PRESERVATION PERIOD.

The Company shall disclose on its all such events or information which has been disclosed to stock exchange under this policy, and such disclosures shall be hosted on the of the company for a minimum period of five years and thereafter as per the Documents Preservation Policy of the Company, as disclosed on its

11. REVIEW OF THE POLICY:

The Board of directors of company shall review the policy on annual basis. The authorized person shall provide regular assurance to board of directors on the effectiveness of the Policy.

Note: The above said policy was approved by the Board of directors at their meeting held on 24th April 2019, and shall become applicable w.e.f. 24th April 2019.

By order of the Board

Pawan Kumar
Company Secretary