

Policy on Determination of Materiality of Event or Information for Disclosures



Conart Engineers Limited

Where Construction Engineering Becomes An Art



ISO 9001: 2008
Reg.No.:RQ-91/050

An ISO 9001: 2008 Certified Company

www.conartengineers.com

Policy on Determination of Materiality of Event or Information for Disclosures

1. Background:-

Conart Engineers Limited (the Company) is committed to being open and transparent with all stakeholders and believes in disseminating information in a fair and timely manner. The Company's securities are listed on the BSE Limited (BSE) and the Company must comply with the continuous disclosure obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations). The SEBI Listing Regulations has been made effective from December 1, 2015.

The Clause 36 of the Listing Agreement has also mandated listed entities to formulate a Policy for determining materiality of events or information that warrant disclosure to its stakeholders.

It is in this context that the Policy on Determination of Materiality of event or information for Disclosure(s) ("Policy") is being framed and implemented.

2. Definitions:-

In this Policy, unless the context requires otherwise:—

- a. "Board of Directors" shall mean the Board of Directors of Conart Engineers Limited.
- b. "Chief Financial Officer" or "whole time finance director" or "head of finance", by whatever name called, shall mean the person heading and discharging the finance function of the Company as disclosed by it to the recognised stock exchange(s) in its filing under the Listing regulations;
- c. "Key Managerial Personnel" means Managing Director, Chief Financial Officer and Company Secretary of Conart Engineers Limited.
- d. "Officer" includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and includes Promoter of the Company.
- e. "Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. Objective of the Policy:-

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations in India.
- b. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.
- c. To ensure that to the best of the knowledge of the Management, the corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.

- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

4. Type of Information:-

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

Events or information that is to be disclosed based on materiality principle are specified in **Annexure 1** to this Policy.

Events or information that is to be disclosed without any application of the guidelines for materiality are specified in **Annexure 2** to this Policy.

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

5. Person(s) Responsible for Disclosure:-

The Board of Directors of the Company has authorised the Company Secretary (Authorised Person) in consultation with the Managing Director, the Chief Financial Officer and the Independent Directors to determine the materiality of an event or information and to make appropriate disclosure on a timely basis.

6. Guidelines for Assessing Materiality:-

The following criteria will be applicable for determination of materiality of event or information:-

- a) The omission of an event or information which is likely to :
 - (i) result in a discontinuity or alteration of an event or information already available publicly; or
 - (ii) result in significant market reaction if the said omission came to light at a later date;
- b) In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

7. Guidance on Timing of an Event or Information:-

Disclosure(s) as required under the Listing Regulations will be made within 30 minutes of the conclusion of the Board Meeting or within 24 hours from the time the event occurred or the officer(s) becomes aware of the event or information, as applicable.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

8. Policy Review:-

The Management may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

9. Website:-

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Documentation Retention and Archival Policy of the Company.

10. Contact Details

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Managing Director or Company Secretary, who is in charge of administering, enforcing and updating this policy.

The Managing Director / Company Secretary
Conart Engineers Limited
2nd Floor, Bombay Shopping Centre, R C Dutt Road, Vadodara - 390007
Phone: 0265 2330946
Email: vadodara@conartengineers.com

'Annexure 1'

Events or Information that are to be disclosed based on Materiality Guidelines listed in the Policy

1. Commencement or any postponement in the date of commencement of operations of any unit/division/work place.
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. Significant capacity addition or change in services.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements as a borrower or any other agreement(s) which are binding and not in normal course of business and/or revision(s) or amendment(s) or termination(s), thereof.
6. Disruption of operations of any one or more units/division/site of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Significant impact on financial, operational, strategic or reputation arising out of change in the regulatory framework.
8. Significant Litigation(s)/dispute(s)/regulatory action(s) that impacts the financial, operational, strategic or reputation of the Company.

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 significant guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key/material licenses or material regulatory approvals.
13. Any other information/event/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.

'Annexure - 2'

Events or Information that are to be disclosed WITHOUT application of Materiality Guidelines listed in the Policy

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), entity or any other restructuring.
Eg :-
 - (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 and such change exceeds two per cent 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 Credit 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/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. 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 other entities/ 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, other security 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 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.

For and on behalf of the Board of Directors of
Conart Engineers Limited

Jitendra Sura
Chairman & Managing Director
