



POLICY FOR DETERMINATION OF
MATERIALITY OF EVENTS OR
INFORMATION

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PREFACE:

Title	Policy for Determination of Materiality of Events or Information
Version Number	1.01
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1. Background

The Securities and Exchange Board of India (SEBI), has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) which have come into force from 1 December 2015 and SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations 2018, which shall come into force w.e.f 01st April 2019 and SEBI Listing Obligations and Disclosure Requirements (Amendment) (SIXTH AMENDMENT) Regulations 2018 w.e.f 16th November 2018 In terms of Regulation (30) of the Regulations which are applicable to all companies whose securities are listed on stock exchanges, a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, duly approved by its Board of Directors and disclose the same on its official website.

2. Objective

The objective of this Policy is to determine the materiality of events or information of the Company and to ensure that such information is adequately disseminated to the Stock Exchanges in pursuance of the Regulations, ensure uniformity in the Company’s approach to disclosures and reduce the risk of selective disclosures.

3. Definitions

“**Act**” shall mean the Companies Act,2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**”: means the Board of Directors of JSW Steel Limited, as constituted from time to time.

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“Board Meeting”: means meeting of the Board of Directors of JSW Steel Limited.

“Company” : means JSW Steel Limited.

“Regulations”: means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modifications, clarifications, circulars or re-enactment thereof.

“Material Event” or **“Material Information”**: means any event or information as set out in Para “A” of PART A of Schedule III of the Regulations, or as may be determined in terms of Clause 4 of this Policy.

“Key Managerial Personnel”- means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

All other words and expressions used and not defined in this policy or the Regulations, but defined in the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder, shall have the same meaning as respectively assigned to them in such Acts or Rules or Regulations or any Statutory modification or re-enactment thereto, as the case may be.

4. Criteria for determination of Materiality of Events or Information

Events / information shall be considered as Material if it meets any of the following criteria:

- a) The omission of disclosure of such an event or information, is likely to result in discontinuity or alteration of an event or information already available publicly;
- b) The omission of disclosure of such an event or information, is likely to result in significant market reaction if the said omission came to light at a later date; and
- c) Any event or information, which may be treated as being material in the opinion of the “Board of Directors” or by any Officer authorised by it, from time to time.

Besides, an event/information, shall be deemed as Material event/ Information if it is likely to have an impact of 5% or more on the gross turnover or revenues or total income or 10% of the net worth, whichever is lower, as per the last consolidated accounts of the Company. However, frivolous Demand Notices, Show Cause Notices etc. received by the Company shall not be deemed to be a Material event/ Information requiring disclosure.

Significant market reaction for the purpose of clause b) above shall mean, it is expected that if the event / information subsequently comes in the public domain, it will impact the market price of the Company’s shares to the extent of 10% or more, wholly attributable to such event / information.

5. Disclosures of Events or Information:

- a) The Company shall make disclosures:
 - i. of all events or information, as specified in Para “A” of Part A of Schedule III (reproduced in Annexure A1 of this Policy) of the Regulation, as soon as reasonably possible but not later than twenty-four hours from the occurrence of event or information.

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Provided that 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.

Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A (reproduced in Annexure A2 of this Policy) of Schedule III shall be made within thirty minutes of the conclusion of the Board Meeting.

- ii. of all Events as specified in Para "B" of Part A of Schedule III of the Regulations, 2015, (reproduced in Annexure B of this Policy) based on application of the guidelines for determining materiality as per Clause 4 of the Policy as soon as reasonably possible.
 - iii. updating material developments with respect to disclosures made in pursuance of the Regulations on a regular basis, till such time the event is resolved/closed, with relevant explanations.
 - iv. of all events or information with respect to its subsidiaries which are material for the Company;
- b) The Company shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any events or information.
- c) The Company may on its own initiative also, confirm, clarify or deny any reported event or information to Stock Exchanges; however the Company may choose not to comment on market rumours and speculation except when a request for verification of such market rumours and speculation has been sought by any regulatory authority.
- d) In case any event occurs or information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the Regulations, but which may have a material effect on the Company, the Company shall make adequate disclosures in regard thereof.

6. Authorised Persons to determine materiality of an event

The Key Managerial Personnel as authorised by the Board from time to time shall have the authority to determine materiality of any event or information and to make appropriate disclosures to the Stock Exchange(s) under the Regulations.

7. Amendments of the Policy

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace this Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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

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

8. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Regulations; Companies Act, 2013; or any other statutory enactments, rules or regulations, then the provisions of such Regulation /Rules Companies Act, 2013 or statutory enactments, shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

9. Dissemination of Policy

This Policy, as amended from time to time, shall be published on the Company's official website. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the 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 Policy for Preservation of Documents of the Company.

ANNEXURE A1**EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY:**

1. 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. - '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 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. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), 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;
5. Fraud/defaults by Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or Promoter;
6. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
 - 6.A In case of Resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor shall be disclosed to the Stock Exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - 6.B In case of resignation of an Independent Director, within seven days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the listed entities:
 - i. Detailed reasons for the resignation of independent directors as given by the director
 - ii. A confirmation from independent director that there is no other material reasons other than those provided.
7. Appointment or discontinuation of share transfer agent;
8. Corporate debt restructuring;
9. One-time settlement with a bank;
10. Reference to BIFR and winding-up petition filed by any party /creditors;

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11. 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;
12. Proceedings of Annual and extraordinary general meetings of the Company;
13. Amendments to Memorandum and Articles of association of Company, in brief;
14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
15. Receipt of request for re-classification by the listed entity from the promoter(s) seeking re-classification;
16. Minutes of the board meeting considering such request which would include the views of the board on the request;
17. Submission of application for re-classification of status as promoter/public by the listed entity to the stock exchanges;
18. Decision of the stock exchanges on such application as communicated to the listed entity.

ANNEXURE A2**EVENTS WHICH SHALL BE DISCLOSED WITHIN 30 MINUTES OF THE CLOSURE OF THE MEETING OF THE BOARD OF DIRECTORS:**

1. 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;
2. Any cancellation of dividend with reasons thereof;
3. Decision on buyback of securities;
4. Decision with respect to fund raising proposed to be undertaken
5. Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
6. 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;
7. Short particulars of any other alterations of capital, including calls;
8. Financial results;
9. Decision on voluntary delisting by the Company from stock exchange(s).

ANNEXURE B

ILLUSTRATIVE LIST OF EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY:

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 Company;
10. Details of grant, vesting and exercise of Stock Options under the Company's Employee Stock Option Schemes, where such grant, vesting or exercise exceeds 2% of the paid-up share capital of the Company, based on the latest audited annual financial statements of the Company.
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;
13. 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.