

POLICY FOR DETERMINING OF MATERIALITY FOR DISCLOSURE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (the “Listing Regulations”)

In exercise of the powers conferred by section 30 read with clause (g) of sub-section (2) of section 11 and clause (d) and clause (e) of section 12A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the SEBI Board made the regulations i.e. SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, (the “Listing Regulations”).

Objective

Finolex Industries Limited (the “Company”) is committed to providing timely, orderly, consistent and credible material information to the investors and stakeholders.

The Policy for Determining Materiality for Disclosures (the “Policy”) is to provide clear guidelines and procedures for disclosing material information outside the Company in order to provide accurate and timely communications on a broadly disseminated basis to our shareholders and the financial markets. This Policy governs communications by our employees and directors with media personnel, members of the investment community including analysts, institutional and individual stockholders, and others who are not bound to us by a duty of confidentiality and/or do not have a “need to know” the information.

Definitions

Definitions or phrases used in the Listing Regulations will have same meaning as in the Regulations or Companies Act, 2013 or Listing Agreement.

Materiality Statement

Information should be regarded as “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where the fact is likely to have a significant effect on the market price of the security. Either positive or negative information may be material. Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.

For the purpose of assessing whether a particular transaction or the amounts involved in particular transactions are “material” the following information will also be considered, although the list is not exhaustive:

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1. The consideration involved in the transaction as a percentage of annual revenue;
2. The consideration involved in the transaction as a percentage of fixed assets and as a percentage of total assets;
3. Whether the transaction is in the ordinary course of business;
4. Whether a related party is involved in the transaction;
5. Whether the transaction represents a significant shift in strategy;
6. Whether the transaction is an exit from, or entry into, a significant line of business.

Policy for determination of materiality

Pursuant to regulation 30 of the Listing Regulations, the Board adopts following policy for determination of materiality.

1. The Company shall make disclosures of any events or information which, in the opinion of the board of directors of the company, is material.
2. The events specified in Para A of Part A of Schedule III are deemed to be material events and the Company shall make disclosure of such events.
3. The Company shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4). (reproduced below)
 - (4) The listed entity shall consider the following criteria for determination of materiality of events/ 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.

Compliance officer

The Board of Directors of the Company has appointed the Company Secretary as compliance officer in terms of clause 6 of the Listing Regulations.

Authorized person for determining materiality

The board of directors of the Company authorize following personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the <http://www.finolexwater.com/>

- a) Managing Director
- b) Chief Financial Officer
- c) Company Secretary and Compliance Officer

Amendment to the Policy

1. This policy is governed under the provisions of the said Listing Regulations. Any dispute between the contents of this Policy and Listing Regulations, the provisions of Listing Regulations will be made applicable to the matter. This policy shall stand amended in accordance with the amendments in the Listing Regulations from time to time.
2. Any amendment to the Policy will be in writing, duly certified by the Compliance Officer.

Approval

This Policy is approved by the Board of Directors of the Company at its meeting held on 6th November, 2015.

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