

SPML INDIA LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

BACKGROUND

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as SEBI Listing Regulations), a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's website.

DEFINITIONS & INTERPRETATIONS

- (a) "Act" means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (b) "Board" shall mean the Board of Directors of SPML India Limited.
- (c) "Company" shall mean SPML India Limited.
- (d) "Events or Information" means events or information as prescribed under Para B of Part A of Schedule III to the Listing Regulations.
- (e) "Listing Regulations" shall mean the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (f) "Other Information" means as prescribed under Para C of Part A of SCHEDULE III to the Listing Regulations.
- (g) "SEBI Regulations" would include all the acts, regulations, circular, notifications etc. issued by the Securities Exchange Board of India from time to time.
- (h) "Stock Exchange" means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity Shares of the Company are listed.
- (i) "Subsidiary" shall mean a Company shall be considered as Subsidiary if it falls within the criteria defined under Section 2(87) of the Act.

Any word used in this policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, According Standards or any other relevant legislation / law applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act / Listing Agreement, the latter shall apply.

POLICY

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

1. The Company shall make disclosure 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 consider the following criteria for determination of materiality of event or information:
 - a) the omission of an event or information, 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) 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 the Company, the event / information is considered material.
4. The Whole-Time Director, Chief Financial officer (CFO) and Company Secretary shall jointly deal with the determination, dissemination and disclosure of material event or information.
5. This Policy is subject to review from time to time.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

The following criteria, as per Regulation 30(4)(i) of the Listing Regulations, shall be considered based on which materiality of Events or Information will be determined:

- (a) Event or Information, the omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) Event or Information, the omission of which 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 or Information, which in the opinion of the Board is considered material.

MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION

Keeping in view the criteria for determination of materiality of Events or Information as mentioned in Clause IV above, materiality threshold has been defined as follows for Events or Information specified in Para B of Part A of Schedule III to the Listing Regulations: Such Events or Information shall be considered material:

- Where the value involved in it exceeds 10% of the gross turnover or total revenue or total income or net worth;
OR
- Where the impact of it exceeds 5% of the gross turnover or total revenue or total income or net worth;

The above threshold shall be determined on the basis of audited consolidated financial statements of last audited financial year.”

DETERMINATION OF OTHER INFORMATION WHICH IS MATERIAL

CFO of the Company, in consultation with Chairman & Managing Director of the Company is authorized to take a view on the materiality of Other Information 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 listed entity to appraise its position and to avoid the establishments of a false market in such securities.

MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION OR OTHER INFORMATION OF SUBSIDIARIES OF THE COMPANY

In case the Events or Information relates to the Subsidiary of the Company, the materiality threshold as defined in head Materiality threshold for determination of material events or information of the Policy should be determined based on the consolidated figures of the Company. In case of Other Information, the CFO of the Company, in consultation with **Chairman & Managing Director** of the Company is authorized to take a view on the materiality of such Other Information that qualifies for disclosure.

GENERAL

- (a) The Chief Financial Officer of the Company is authorized to take a view on whether the Events or Information falls within the materiality threshold as mentioned above of this Policy which qualifies for disclosure under Regulation 30(5) of the Listing Regulations.
- (b) CFO, in consultation with **Chairman & Managing Director** of the Company may, at his option, also disclose to the Stock Exchanges the Events or Information, which is below the materiality threshold as defined in head Materiality threshold for determination of material events or information of the Policy.
- (c) This Policy shall be disclosed on the website of the Company www.spmlindia.net
- (d) The **Chairman/Managing Director** of the Company is authorized to make such changes to the policy;
 - (i) as are not changing the substance of the said Policy, or
 - (ii) as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the said Policy.

This Policy on Determination of Materiality of Events or Information has been adopted by the Board of Directors of the Company at its meeting held on 14th February 2015.
