

MIL INDUSTRIES LIMITED

Policy on Determination of Materiality of Event or Information

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I. PREAMBLE

In alignment with Regulation 30 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), every listed entity shall frame a policy for determination of materiality (this "Policy") based on criteria specified in the Listing Regulations. This Policy will be hosted on the website of the Company.

The Board of Directors of M/s. MIL Industries Limited (the "Company"), at its meeting held on May 11, 2018, approved this Policy with regard to disclosure of material events or information which are price sensitive and / or may have bearing on the performance or operation of the Company, thereby necessitating disclosure to the Stock Exchanges where the equity shares of the Company are listed.

This Policy will be effective from May 11, 2018.

II. 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 MIL Industries Limited, as constituted from time to time.

"Company" means MIL Industries Limited.

"Key Managerial Personnel" mean key managerial personnel as defined in sub section (51) of Section 2 of the Act;

"Material" or "Materiality" includes those events and information which may materially affect the performance of the Company or the share price of the Company.

"Policy" means this Policy providing guidelines for determining materiality of event or information and as may be amended from time to time.

"Regulations" mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

III. OBJECTIVE

The Company has to ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company. This Policy shall act as a guidance for determining materiality of such price sensitive information.

IV. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION

The following factors shall be considered for determining materiality of any event/information:

- (i) The omission of an event/ information which might result in discontinuity or alteration of information which is already in public domain; or
- (ii) The omission of event/ information which might result in significant market reaction, if the said omission come to light at a later date; or
- (iii) Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
- (iv) Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
- (v) the impact of event/ information as a percentage of Company's annual turnover, fixed assets and total assets; or
- (vi) whether the event/ information is in the ordinary course of business; or
- (vii) whether the event/ information represents a significant shift in strategy and is an exit from, or entry into, a significant line of business; or
- (viii) Any other event/ information which is material in the opinion of Board of Directors of the Company.

V. DISCLOSURE OF EVENTS/ INFORMATION

Disclosure to the stock exchanges

Events/ information specified in **Annexure I** of this Policy are deemed to be material events and the Company shall make disclosure of such events or information to the stock exchange(s), without application of guidelines for materiality as mentioned in clause 4 of this Policy, as soon as reasonably possible but not later than twenty four (24) hours from the occurrence of such event or information.

Provided further that in case the disclosure is made after twenty four (24) hours of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

The Company shall make disclosure of events/ information as specified in Annexure II of this Policy, if considered material after application of guidelines for determining materiality as given under Clause IV of this Policy.

Apart from the events/information given under Annexure I and Annexure II of this Policy, any other material 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, shall also be disclosed to the stock exchange(s).

The Company shall disclose to the stock exchange(s) material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.

The Company shall also disclose all events/ information with respect to its subsidiaries, which are material for the Company, by applying the guidelines of materiality as given in clause IV of this Policy.

Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of event/information as specified by the Board from time to time.

VI. AUTHORITY TO THE KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company are severally authorised for

determining materiality of event/ information as specified in Annexure II of this Policy.

The Chief Financial Officer and the Company Secretary of the Company are severally authorised for disclosing such material events/information to the stock exchange(s).

VII. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Act; Regulations or any Statutory enactments; rules; the provisions of such Listing Agreement ; Act or Regulations or any Statutory enactments, rules shall prevail over this Policy and the part (s) so repugnant shall be deemed to severed from the policy and the rest of the Policy shall remain in force.

VIII. DISPLAY OF THE POLICY

This Policy shall be hosted on the website of the Company and the address of such web link shall be provided in the Annual Report of the Company.

As approved by the Board of Directors on May 11, 2018.

Annexure I

Material events/ information to be mandatorily disclosed to the stock exchange(s)

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to the Stock Exchange/s:

A. Events which shall be disclosed without any application of the guideline for materiality as specified in sub-regulation (4) of regulation (30):

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.

The term 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 5% 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 2% 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 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 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.

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, debenture 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;

Annexure II

List of events/ information to be disclosed to the stock exchange(s) if considered material.

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