

**AGRO TECH FOODS LIMITED**  
**31, SAROJINI DEVI ROAD, SECUNDERABAD – 500 003**  
**CIN: L15142TG1986PLC006957**  
**Tel: 91 40 66333444, Fax: 91 40 27800947**  
[www.atfoods.com](http://www.atfoods.com)

**POLICY FOR DETERMINING MATERIALITY OF AN EVENT / INFORMATION (“The Policy”)**

**1) Preamble and Applicability:**

This policy is framed by the Company pursuant to Regulation 30(4)(ii) and Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to ensure disclosure of any event / information which, in the opinion of the Board of Directors of the Company is **Material** to ensure transparency in the operations of the Company to the investing public at large.

**2) Definitions:**

- (i) “**Act**” means The Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (ii) “**Subsidiary Company**” means Subsidiary company or subsidiary in relation to any other company (that is to say the holding company), in which the holding company-
  - a. Controls the composition of the Board of Directors; or
  - b. Exercises or controls more than one half of the total share capital either on its own or together with one or more of its subsidiary companies;

provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation- For the purpose of this definition,-

- 1. A company shall be deemed to be a subsidiary company of the holding company even if the control referred to in clause (a) or (b) above is of another subsidiary company of the holding company;
  - 2. The composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion, can appoint or remove all or a majority of the directors;
  - 3. The expression “company” includes any body corporate;
  - 4. “layer” in relation to holding company means its subsidiary or subsidiaries.
- (iii) “**Holding Company**” means in relation to one or more other companies, a company of which such company(s) are subsidiary(s) companies.
  - (iv) “**ATFL**” means Agro Tech Foods Limited.
  - (v) “**Board**” means the Board of Directors of Agro Tech Foods Limited.

(vi) “**Regulations**” means the Listing Regulations as notified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **3) Basis of Determining Materiality of an event / information**

This Policy lays down the basis for determining Materiality of an event /information of ATFL and related issues as specified under Regulation 30 of the Listing obligations and Disclosure requirements.

- (a) the omission of an event or information, which is likely to result indiscontinuity 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.

On the basis of the above, ATFL shall determine `materiality' for disclosure.

### **4) Events / information which shall be disclosed to the Stock Exchange(s):**

#### **A. EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF MATERIALITY AS SPECIFIED IN POINT 3 ABOVE**

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 listed entity or any other restructuring.

Explanation- For the purpose of this sub-para, the word '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 listed entity 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 above 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 Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity 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 listed entity 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 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 listed entity 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 listed entity.
  13. Proceedings of Annual and extraordinary general meetings of the listed entity.
  14. Amendments to memorandum and articles of association of listed entity, in brief.
  15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

**B. 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 listed entity 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 listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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.

C. ATFL shall disclose any other information / event, viz. major developments that are likely to affect its business, e.g. emergence of new technologies, 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 exclusive to ATFL which may be necessary to enable its shareholders to appraise its position and to avoid the establishment of a false market in its securities.

D. Notwithstanding the above, ATFL shall make disclosures of any other event/information which may have a material effect directly or due to its subsidiaries or as may be specified by the Board from time to time.

ATFL shall with respect to disclosures referred to this point shall make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with the relevant explanation.

## 5) **Manner of disclosure of any event / information**

The Board shall authorise the following Key Managerial Personnel namely, the Chief Executive Officer, the Chief Financial Officer or the Company Secretary jointly or severally to determine the materiality of any event / information and any of them are authorised to make the relevant disclosures for the purpose of compliance with this Policy to the Stock Exchange(s). The authorised Key Managerial Personnel shall also ensure that the information is thereafter posted on the Company's website as well.

**6) Timelines for disclosure**

On the occurrence of any of the events mentioned in point 4 above, other than those in Part 4A sub para (4), and as would be material, ATFL shall ensure that the event / information be first disclosed to the Stock Exchange(s) as soon as reasonably possible and not later than twenty four hours from the occurrence of the event / information. If the situations so arise that the event / information is intimated later than twenty four hours of the occurrence, ATFL shall along with the disclosure, provide an explanation for the delay to the Stock Exchange(s). For events / information mentioned in Part 4A – sub para 4, the event / information shall be disclosed within 30 minutes of the conclusion of the Board Meeting.

**7) Information**

The materiality policy shall be uploaded on the company's website and a web link thereto shall also be provided in the Annual Report. All the events / information disclosed to the Stock Exchange(s) shall also be uploaded on the Company's website and shall be hosted for at least 5 years and such other period as may be specified read in conjunction with the preservation of documents policy of ATFL.

**8) Amendment**

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time. Any amendment to applicable Regulations or statutes governing this policy shall become automatically applicable to this Policy and shall have an overriding effect to the extent the same may be applicable to a particular provision in the Policy. Pursuant to such amendments or modifications, the Company Secretary shall carry out the necessary changes to this Policy, as may be required.