

**POLICY FOR  
DETERMINATION OF  
MATERIALITY OF EVENT  
/ INFORMATION**

**Of**

**ARIES AGRO LIMITED**

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## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION**

### **1. Preface**

Pursuant to Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Board of Directors (the “Board”) of Aries Agro Limited (the “Company”) has adopted the following policy and procedures with regard to determine materiality of events or information which are required to be disclosed to the Stock Exchanges.

### **2. Purpose of the Policy**

The purpose of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

### **3. Materiality**

Materiality is determined in reference to “information about sustainability Performance of the Company” that is interpreted as:

- determining what issues, concerns and impacts are relevant and important to sustainability performance;
- determining why, how and at what point they are relevant and important to sustainability performance;
- determining who they are relevant and important for; and
- ensuring that the identification of material aspects, and their relation to the stakeholders for whom they are material, is fair and balanced.

### **4 Process of ascertaining Materiality**

Team of Key Managerial Personnel should evaluate the issues, concerns and impacts material to the Company and its stakeholders, and whether there are any material misrepresentations or omissions in its reporting.

A material misrepresentation or omission is when information is not disclosed or, if disclosed, is in some way distorted such that it could influence the decisions, actions and behaviour of stakeholders or the Company itself.

### **5. Procedural Guidelines for determination of materiality of events/ information**

Based on the Materiality concept as stated above, the internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, Functional Heads or Unit Heads who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to any of the Team Members of Key Managerial Personnel namely Managing Director or the Executive Director or Chief Financial Officer or Compliance Officer (who is normally the Company Secretary ("Team") unless this post is vacant) of the Company any event / information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event / information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event / information, Team of will--

- i. Review event / information and to take whatever steps necessary to verify its accuracy;
- ii. Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- iii. Decide by majority that whether event / information is material and requires disclosure under Regulation 30 of the Listing Regulations.
- iv. Where the Team is not certain about materiality of event / information, they may refer matter for external legal advice.

#### **6. Procedures to be followed to disseminate information of material events/ information**

The procedure to be followed in relation to the lodgement of announcement of material event / information is as follows:

- i. If the event / information is material, the Compliance Officer will prepare communication in consultation either with the Managing Director or Executive Director and in absence of them the Chief Financial Officer of the Company.
- ii. Lodge Announcements: The Compliance Officer on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.
- iii. Post announcement on website: After lodgment of the announcement with the Stock Exchanges, the Compliance Officer will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

#### **7. Disclosure of events or information**

**A. The following events / information specified in Para A of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of the guidelines for materiality:-**

- i. 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,-

- a. acquiring control, whether directly or indirectly; or,
- b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
  - 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;
  - there has been a change in holding from the last disclosure made under sub-clause a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- ii. 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.
- iii. Revision in Rating(s).
- iv. 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).
- v. 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.
- vi. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

- vii. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- viii. Appointment or discontinuation of share transfer agent.
- ix. Corporate debt restructuring.
- x. One time settlement with a bank.
- xi. Reference to BIFR and winding-up petition filed by any party / creditors.
- xii. 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.
- xiii. Proceedings of Annual and extraordinary general meetings of the listed entity.
- xiv. Amendments to memorandum and articles of association of listed entity, in brief.
- xv. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

**B. The following events / information specified in Para B of Part A of Schedule III to the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges after following the procedural guidelines as given in this Policy:**

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- ii. 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).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. 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.
- vi. 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.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of listed entity.
- x. Options to purchase securities including any ESOP/ESPS Scheme.

- xi. Giving of guarantees or indemnity or becoming a surety for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

### **8. Communication of this Policy**

A copy of this Policy shall be circulated to all Directors and employees of the Company within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the web-site of the Company.

### **9. Amendment**

Any change in the Listing Regulation and/or other applicable law in this regard shall automatically apply to this policy. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

### **10. Archival Policy**

All information and reports uploaded / hosted on the website of the Company shall be archived after every expiry of every five years from date of its posting or hosting. The Archived documents shall be removed / deleted from the website after expiry of five years from date of its initial archive.

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