

CASPIAN CORPORATE SERVICES LIMITED

POLICY FOR DETERMINATION OF MATERIAL EVENT/DISCLOSURE

I. PREAMBLE

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") came into force from December 1, 2015. As per Regulation 30 of SEBI LODR, Caspian Corporate Services Limited ("**the Company**") is required to frame a Policy for Determination of Material Events and Information.

II. OBJECTIVE AND SCOPE

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject to as a publicly-traded company as laid down by the SEBI LODR, various Securities Laws and any other legislations;
- b. To ensure that the information disclosed by the Company is adequate, timely and transparent;
- c. To ensure that all investors have equal access to important information that may affect their investment decisions;
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations;
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company and avoiding establishment of false market in the securities of the Company;
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures;
- g. To determine the principles of materiality based on which the Company shall make disclosures of events or information.

The information covered by this Policy shall include information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions ("**Material Information**") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. The Board vide this Policy has attempted to prescribe guidance for deciding the magnitude of the materiality of events and information.

III. DEFINITIONS

- 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 Caspian Corporate Services Limited and shall include any Committee thereof authorised for the purpose;
- c. "**Company**" shall mean Caspian Corporate Services Limited;
- d. "**Committee**" means any Committee formed under the delegated authority of the Board;
- e. "**Key Managerial Personnel**", in relation to a company, means—
 - i) The Chief Executive Officer or the Managing Director or the Manager
 - ii) The Company Secretary;
 - iii) The Whole-time Director;
 - iv) The Chief Financial Officer; and
 - v) Such other officer as may be prescribed under the Act.
- f. "**Net worth**" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.
- g. "**Paid-up share capital**" or "**share capital paid-up**" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also include any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
- h. "**Regulations**" shall mean SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, including any modifications, amendments, clarifications, circulars or re-enactment thereof;
- i. "**SEBI Regulations**" would include all the acts, regulations, circular, notifications etc. issued by the Securities Exchange Board of India from time to time;
- j. "**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;
- k. "**Subsidiary**" shall mean a company shall be considered as Subsidiary if it falls within the criteria defined under Section 2(87) of the Act;
- l. "**Turnover**" as defined under Section 2(91) of the Act means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and / or Regulations.

IV. DISCLOSURES OF EVENTS AND INFORMATION

The Policy sets forth the guidelines for disclosure of material events or information.

1. Category A – Events or information

Category A refers to such events or information which are deemed to be material events or information without application of materiality test. The indicative list of such events or information is given as **Annexure I**.

2. Category B - Events or information

Category B refers to such events or information which are proved to be material on the application of the materiality test. For determining materiality of events, the following criteria shall be applied:

- i. Omission of which is likely to result in discontinuity or alteration of event or information already available publicly;
- ii. Omission of which is likely to result in significant market reaction if the said omission came to light at a later date; or
- iii. Which are in the opinion of Board of Directors or any Committee thereof or any other person authorised for the purpose considered to be material.

The indicative list of such is given as an **Annexure II**.

However, the list of events / information given in Annexure I & II are indicative and not exhaustive and the necessity or obligation to make the requisite disclosure depends upon magnitude of impact of such events or information and on the facts of each case. Any event or information which is considered material in accordance with the Policy shall also be disclosed even if it is not specially listed in Annexure I or Annexure II of the Policy.

Determination of Materiality: (Materiality test)

Materiality will be determined on a case to case basis depending on nature of the events, specific facts, magnitude of likely impact in case such event is omitted to be disclosed, and the circumstances relating to the information or event.

To determine whether a particular event or information is material in nature, the Company may:

- i. Either consider the qualitative criteria as defined under clause 4(2); or
- ii. Quantitative criteria as may be appropriate for each event listed under Annexure II.

V. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL INFORMATION

Keeping in view the principle for determination of materiality of events or information as mentioned above, materiality threshold has been defined as follows for events / information specified in Annexure II as such events or information shall be considered material:

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

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

VI. GENERAL AUTHORIZATION AND RESPONSIBILITY

The Board of Directors of the Company have authorised the Chairman & Managing Director, the Executive Directors and Company Secretary ("Authorized Persons") to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. In order to assist the Authorised Persons, the Board has further decided that the Chief Financial Officer (CFO) in consultation with the Authorised Persons will decide on the materiality of the event/information and on the basis of their guidance/decision, the Authorised Persons would then take a final decision on the disclosure.

The Authorized Persons will then ascertain the materiality of such event(s) or information based on the above guidelines.

On completion of the assessment, the Authorized Persons shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

The Authorised Persons shall take decisions in this regard with consensus, provided however, where consensus cannot be reached in reasonable time, with regard to urgency of the matter, the Chairman & Managing Director shall take the final decision.

VII. POLICY REVIEW

The Authorized Persons may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors. Should there be any inconsistency between the terms of the Policy and SEBI LODR, the provisions of the SEBI LODR shall prevail.

Any amendments to the SEBI LODR shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

VIII. GENERAL

As per the provisions of SEBI LODR the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under SEBI LODR and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company.

Annexure I

Events or Information that are to be disclosed without application of Materiality Guidelines listed in the Policy

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 Company 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 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.
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 Stock Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- i. 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;
- ii. Any cancellation of dividend with reasons thereof;
- iii. The decision on buyback of securities;
- iv. 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;
- v. 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;
- vi. Short particulars of any other alterations of capital, including calls;
- vii. Financial results;

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

Annexure II

Events or information that are to be disclosed based on materiality Guidelines listed in the Policy

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 the 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.