



KRYPTON INDUSTRIES LIMITED

Policy on Determination of Materiality of Events for Disclosures

PREFACE

The Securities and Exchange Board of India (“SEBI”) vide its Notification dated September 02, 2015 has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”) which will be effective from December 01, 2015. In terms of the above Regulations, every Listed Company is now required to disclose events or information which, in the opinion of the Board of Directors of the Company, is material.

The Board of Directors of Krypton Industries Limited (the “Company”) hereby frames a policy to determine the material events or information by testing the materiality as required under Regulation 30 and has approved this Policy for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

SCOPE OF THE POLICY

This Policy provides a framework for identification of events / information which shall deemed to be material in the opinion of the Board of Directors is adequately disclosed on its website as required by law.

GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS

Apart from the Certain Events as specified in Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the materiality of the Events shall be determined based on the application of the following guidelines:

1. Any event or information having a significant impact on the reputation of the Company;
2. The omission of an event or information would likely to:
 - i. Result in discontinuity or alteration of event or information already available publicly;
 - ii. result in significant market reaction if the said omission came to light at a later date;

In case where the criteria specified under the first two categories (i) and (ii) above are not applicable, an event or information may be treated as being material, if in the opinion of the board of directors of the Company, such event or information is considered material.

3. Only such impact which is direct, reasonably perceivable and quantifiable shall be considered.
4. The guidelines as mentioned above shall also be applied with respect to events or information pertaining to subsidiaries.

EVENTS/INFORMATIONS

A. All Events as specified in Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are deemed to be material events and shall be disclosed by the Company. List of such events are as follows:

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 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 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;

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- 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 are given below as soon as reasonably possible but not later than the 24 hours of the occurrence of the event / information** from the time the authorised Persons of the Company becomes aware of such event / information in the course of performance of his duties.
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. Any other 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
- D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

AUTHORISED PERSONS

The following Key Managerial Personnel of the Company are authorized severally, to determine materiality of an event / information in terms of this Policy and to make appropriate disclosures to the Stock Exchanges.

Mr. Jay Singh Bardia, Managing Director,

Mr. Pannalal Bardia, Chief Executive Officer

Mr. Vinay Sipani, Chief Financial Officer

Mr. Arti Bothra, Company Secretary

DISCLOSURE OF EVENTS

This Policy will be posted on the Company's corporate website www.kryptongroup.com and events & information disclosed to the Stock Exchanges in terms of this Policy will also be kept posted on the website for at least five years from the date such event / information is posted.

The Disclosure Policy was adopted by the Board on 25th January, 2016 and will be reviewed as and when deemed necessary

25th January, 2016