



SARDA ENERGY & MINERALS LIMITED

Regd. Off: 73-A, Central Avenue, Nagpur (MH.) 440018
Ph: +91-712-2722407; Fax: +91-712-2722107 Email: cs@seml.co.in
URL: www.seml.co.in CIN: L27100MH1973PLC016617

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE(S)

I. Preamble

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality.

II. Objective

The objectives of this Policy are as follows:

- a) To ensure that the Company complies with the applicable disclosure obligations.
- b) To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.
- c) To ensure that to the best of the knowledge of the Management, the disclosures are accurate and do not contain any misrepresentation.
- d) To protect the confidentiality of Material / Unpublished Price sensitive information within the context of the Company's disclosure obligations.
- e) To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

III. Definitions

The words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder, as amended from time to time.

IV. Scope

- i) 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" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

Events or information that is to be disclosed based on materiality principle are specified in Annexure 1 to this Policy.

Events or information that is to be disclosed without any application of the guidelines for materiality are specified in Annexure 2 to this Policy.

- ii) The authorized person(s) jointly and severally in consultation with the Chairman & Managing Director / Dy. Managing Director shall disclose such events / information about **subsidiary of the Company** which are considered material in nature and whose disclosure is likely to materially affect the share prices of the Company.



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V

Criteria for determination of materiality for disclosure of events / information

- i) The omission of an event or information which is likely to result in discontinuity or alteration of event or information already available publicly.
- ii) 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;
- iii) The cases where the criteria of an event /information does not fall in the first two categories, but still in the opinion of the board of directors are considered material.

VI

Guidance on Timing of an Event or Information

The Company may be confronted with the question as to when an event/information can be said to have occurred. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information (based on the facts and circumstances), can probably be said to have occurred upon receipt of approval of Board of Directors. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Disclosure(s) as required under the Listing Regulations will be made within 30 minutes of the conclusion of the Board Meeting or within 24 hours from the time the event occurred or the officer(s) becomes aware of the event or information, as applicable.

VII

Person(s) Responsible for Disclosure

The Board of Directors of the Company has authorised the Dy. Managing Director, the Chief Financial Officer and the Company Secretary to determine the materiality of an event or information. The above persons and the Company Secretary have been authorized to make appropriate disclosure on a timely basis. The Authorised Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as he/she may deem fit.

The Authorized Person(s) shall have the following powers and responsibilities for determining the material events or information:

- a) To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.



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- b) To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- d) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- e) To disclose all events or information with respect to the subsidiaries which are material for the Company.

VIII Obligations of Internal Stakeholders and Authorized Person for Disclosure

- i) Any event or information, including the information forming part of Annexure 1 and Annexure 2 to the Policy shall be forthwith informed to the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- ii) The Authorized Person will then ascertain the materiality of such event(s) or information based on the above guidelines.
- iii) On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

IX. Unintended or Inadvertent Disclosures

In the event of an unintended disclosure, inadvertently made, by the spokesperson or an employee of the Company it shall be immediately rebutted or clarified to the target audience as soon as possible to minimize any impact due to such un intended or inadvertent disclosures.

X Effective Date

This Policy shall be effective from 1st February, 2016.

XI Policy Review

The Board of Directors / Authorized Person may review the Policy from time to time. All changes/amendments to the Policy will be approved by the Board of Directors. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

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

XII Communication

As per the provisions of the Listing Regulations, 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 the Listing



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Regulations and such disclosures shall be made available on the website of the Company for the period required under the Listing Regulations.

XIII Contact Details

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary.

Manish Sethi
Company Secretary
Sarda Energy & Minerals Ltd.
3rd Floor, Vanijya bhawan, Sai Nagar, Devendra Nagar Road,
Raipur 492009
E-mail: cs@seml.co.in

Annexure 1

Events or Information: to be disclosed based on Materiality Guidelines

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. Significant 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. Significant impact on financial, operational, strategic or reputation arising out of change in the regulatory framework.
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



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10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving significant guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key/material licenses or material regulatory approvals.
13. Any other information/event viz. major development that is likely to affect business, or 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.

Annexure 2

Events or Information: to be disclosed without application of Materiality Guidelines

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 subclause (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 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



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- v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - vi) 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;
 - vii) short particulars of any other alterations of capital, including calls;
 - viii) financial results;
 - ix) 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 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 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.
