

## PDS MULTINATIONAL FASHIONS LIMITED

### POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

#### 1. LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of PDS Multinational Fashions Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. The Board shall review, and if found required, may amend this Policy from time to time.

#### 2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

#### 3. INTRODUCTION

- (a) “**Act**” means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.
- (b) “**Board of Directors**” means the Board of Directors of the Company.
- (c) “**Company**” means PDS Multinational Fashions Limited.
- (d) “**Key Managerial Personnel**” mean key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- (e) “**Listing Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) “**Policy**” means this policy, as amended from time to time.
- (g) “**SEBI**” means the Securities and Exchange Board of India.

(h) “**Rules**” means the rules made under the Companies Act, 2013.

(i) “**Stock Exchange(s)**” means BSE Limited and the National Stock Exchange of India Limited, where the equity Shares of the Company are listed.

#### **4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

#### **5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY**

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

#### ***GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:***

**Quantitative Criteria** would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- (a) exceeds twenty five per cent of the consolidated gross turnover, or
- (b) exceeds thirty three per cent of the consolidated net worth
- (c) exceeds thirty three per cent of the consolidated net profit

**Qualitative Criteria** would mean an event/ information:

- (a) the omission of an event or information, which is likely to result in discontinuity 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; or
- (c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

#### **6. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY**

The Company shall disclose major developments that are 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 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.

## 7. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- (a) depends upon the stage of discussion, negotiation or approval; and
- (b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 7(a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders.

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 respect of the events under 7(b), 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 entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

## 8. DISCLOSURE OF EVENTS /INFORMATION

Any events required to be reported under regulation 30 of the Listing Regulations shall be informed to the Managing Director or Chief Financial Officer of the company on an immediate basis with adequate supporting data or information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial officer. The process of disclosure shall be in line with the prices set out under the Code of Practices and procedure for fair disclosure of unpublished price sensitive information

The Managing Director and the Chief Financial Officer of the Company shall severally be responsible and authorized for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.

**The contact details of the persons authorized to determine materiality of events under this Policy are as follows:**

<p>Mrs. Payel Seth, Managing Director No. 758 &amp; 759, II Floor, 19th Main, HSR Layout, Sector-II, Bangalore 560102, Karnataka Tel: 080-67653000 Email: investors@pdsmultinational.com</p>	<p>Mr. Omprakash Makam, Chief Financial Officer No. 758 &amp; 759, II Floor, 19th Main, HSR Layout, Sector-II, Bangalore-560102, Karnataka Tel: 080-67653000 Email: investors@pdsmultinational.com oms@pdsmultinational.com</p>
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The Chief Financial Officer and Company Secretary of the Company shall severally authorized for dissemination of such events and information in accordance with provisions of the Regulations.

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time.

Hence, the relevant Authorized Person should exercise his/her own judgment while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

#### **9. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

#### **10. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

#### **11. EFFECTIVE DATE**

The policy, as approved by the Board of Directors, shall be effective from December 1, 2015

#### **12. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company

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