

FILTRA CONSULTANTS AND ENGINEERS LIMITED



(CIN: L41000MH2011PLC217837)

Policy of Determination of Materiality of Events/Information

(Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

FILTRA CONSULTANTS AND ENGINEERS LIMITED

CIN:L41000MH2011PLC217837

Regd. Off:1501, Synergy Business Park, Sahakar
Wadi, Off Aarey Road, Near
Synthofine Industrial Estate,
Goregaon (E), Mumbai 400063

Tel: +91 22 – 6189 8700

Fax: + 91 22 – 6189 8725

Website:www.filtrain.in

Policy of Determination of Materiality of Events/Information

I. INTRODUCTION

Filtru Consultants and Engineers Limited ('The Company') is committed to being open and transparent with all the stakeholders and in disseminating information in a fair and timely manner. The Company's securities are listed on SME platform of the BSE Limited (BSE). The Company is required to comply with the continuous disclosure obligations imposed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Regulations") which was made applicable w.e.f. December 1, 2015.

In terms of the Regulation 30 of the Regulations, the Company is required to frame a Policy for determination of materiality of events/information. Accordingly, the Company has framed the Policy called "Filtru Consultants and Engineers Limited – Policy for determination of materiality of events/information" (hereinafter referred to as "this Policy").

II. OBJECTIVE

This Policy for determination of materiality of events/information aims at:

- ✓ Ensuring that all investors have equal access to important information that may affect their investment decisions;
- ✓ Ensuring that the information provided is fair, true and transparent and don't contain any misrepresentation;
- ✓ Ensuring that adequate and timely information is provided to investors;
- ✓ To ensure uniformity in the Company's approach to disclosure and reduce the risk of selective disclosure;
- ✓ Avoiding establishment of false market in the securities of the Company; and
- ✓ Communicating the principles of materiality based on which the Company shall make disclosures of events or information.

III. MEANINGS OF TERMS USED

- a) **"The Act"** means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- b) **"Board"** refers to the Board of Directors of Filtru Consultants and Engineers Limited.
- c) **"Company"** or **"Filtru Consultants & Engineers Limited"** refers to Filtru Consultants & Engineers Limited pursuant to this policy, having its Registered Office at 1501, Synergy Business Park, Sahakar Wadi, Off Aarey Road, Near Synthofine Industrial Estate, Goregaon (E), Mumbai 400063;
- d) **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e) **"Schedule"** means a Schedule annexed to Listing Regulations;
- f) **"Stock Exchange"** means a recognised Stock Exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; and

Policy of Determination of Materiality of Events/Information

All other words, terms and expressions used and not defined in this Policy but defined in the SEBI Act, 1992, The Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the Rules and Regulations made there under shall have same meaning as respectively assigned to them in such Acts, Rules, Regulations or any statutory modification and re-enactment thereto, as the case may be.

IV. POLICY AND PROCEDURES

A. MATERIALITY THRESHOLDS:

- As stated above, in terms of the Regulation 30 of the Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the Board of the Company, is material. Further, the events specified in Para A of Part A of Schedule III are deemed to be material events and the Company is mandatorily required to make disclosure of such events. The Company is required to make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality as set out in this Policy.
- Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.
- In this context, the following has been approved and adopted by the Board the Company at its meeting held on February 22, 2016, with the objective of determining materiality of events:
 1. The events specified in Para A of Part A of Schedule III of the Regulations (as amended from time to time) and as set out in Annexure I to this Policy shall be disclosed by the Company as applicable from time-to-time and in a manner as set out in the Regulations and this Policy.
 2. For disclosing the events specified in Para B of Part A of Schedule III, the Company shall consider the following criteria for determination of materiality of 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;
 - 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.
 - c) Where it would be difficult to report any event including events specified in Para B of Part of Schedule III and set out in Annexure II to this Policy, based on qualitative criteria as stated in points a) and b) above, the same may be considered material for disclosure, upon meeting materiality threshold as mentioned herein below:

Policy of Determination of Materiality of Events/Information

For events specified in Annexure II of this Policy, if the impact of the occurrence of such an event would exceed 10% of the gross turnover of the Company. The above limit shall be calculated based on the last available audited annual financial statements of the Company.

- d) in case where the criteria specified in sub-clauses a to c are not applicable, an event/information may be treated as being material if in the opinion of the Board and/or the Chief Financial Officer/Company Secretary of the Company (person responsible), the event/information is considered material.
 - e) Following shall be the additional considerations in determining the materiality thresholds as stated above:
 - materiality to be assessed at the level of each individual disclosure requirement and, where relevant, on an aggregate basis; and
 - additional considerations to be taken into account by the Company when they are considered as plausible and objectively reasonable.
3. As specified in Para C of Part A of Schedule III of the Regulations, the Company shall promptly disclose 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 financial statements of the Company 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.

DISCLOSURE OF EVENTS / INFORMATION:

1. Any event/information purported to be reportable under Regulation 30 of the Regulations shall be informed to the Managing Director/Chief Financial Officer/ Company Secretary of the Company on an immediate basis with adequate supporting data/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 Managing Director/Chief Financial Officer/ Company Secretary.
2. The Managing Director and the Chief Financial Officer/Company Secretary of the Company shall be severally responsible and authorised 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.
3. After evaluation, any one of the above mentioned persons shall make disclosure to the Stock Exchanges.

Policy of Determination of Materiality of Events/Information

4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.
7. The Managing Director, the Chief Financial Officer and Company Secretary of the Company shall severally be responsible and authorised for dissemination of such events and information in accordance with the provisions of the Regulations or any other law as may be applicable.
8. The Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and in accordance with the provisions of the Regulations, as may be amended from time to time.
9. The disclosures made under the Regulations shall be hosted on the website of the Company (www.filtr.in).
10. Any question or clarification about the Policy or disclosure made by the Company should be referred to the persons authorised to determine materiality of events/ information under this policy and their contact details are as follows:
 - **Chairman & Managing Director**
Phone: 022 61898700
 - **Chief Financial Officer**
Phone: 022 61898700
 - **Company Secretary and Compliance Officer**
Phone: 022 61898700

AMENDMENTS TO THE POLICY

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.

Any amendment of any provision of this policy must be approved in writing by the Company's Board and promptly disclosed on the Company's website within two working days of such amendment.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013 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.

EFFECTIVE DATE

This Policy shall come into force from the date of approval.

ANNEXURE I:

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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;

Policy of Determination of Materiality of Events/Information

- 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

ANNEXURE II:

List of events which shall be disclosed upon application of the guidelines for materiality as mentioned in this 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 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.