



FRONTLINE SECURITIES LIMITED

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POLICY ON MATERIALITY FRONTLINE SECURITIES LIMITED

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Approved by the Board of Directors	On behalf of the Board of Directors Mr. Yatandra Singh Pal (Company Secretary)

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FRONTLINE SECURITIES LIMITED

POLICY ON MATERIALITY

1. Preamble

The Board of Directors (the “**Board**”) of Frontline Securities Limited (the “**Company**” or “**FSL**”) in order to comply with the Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has adopted this policy (the “**Policy**”) with respect to the Disclosures of any Events of Information which in the opinion of Board is Material (hereinafter referred to as “**MATERIAL INFORMATION**”). The Policy shall be applicable to the Company.

2. Policy and Purpose

This Policy is framed as per the requirement of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 2nd September 2015 and effective from 1st December 2015.

C A, 2013 and other applicable laws require the Company to disclose such information.

Purposes of the Policy are to establish a policy on:-

- (a) To Determine Criteria for determination of materiality of events/ Information
- (b) Proper, sufficient and timely disclosure of the same to the Stock Exchanges.
- (c) To Authorised the Board/ Company Secretary or any other Key Managerial Personnel (KMP) to comply and Monitor the policy.

3. Definitions

- (a) “**Board**” means Board of Directors of the Company.
- (b) “**CA 2013**” means the Companies Act 2013 as amended from time to time.
- (c) “**Material Information/Events**” means the documents as defined in Schedule A and Schedule B of the Policy

- (d) **“Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on 2nd September 2015 and effective from 1st December 2015.

4. Material Events

The Listing regulations divided the events that need to be disclosed broadly in two categories:

- 1) The events that have to be necessarily disclosed without applying any test of materiality are indicated in para A of Part A of Schedule III of the Regulations, Mentioned herein as Annexure –I.
- 2) Para B of part A of Schedule III indicated the event that should be disclosed by the listed Company, if considered material.

As per regulation 30(3) of the Listing Regulations the Company shall make Disclosure of events as specified in para B, based on application of the guidelines for materiality as specified in Regulation 30(4), as follows;

- 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) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an 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.

5. Key Managerial Personal

The “Board” Authorised Mr. Yatandra Singh Pal (Company Secretary) and Mr. Gauri Shankar Pandey (Whole Time Director) in its Meeting held on 13th November, 2015 to determine the materiality of events under para B of ‘Part A’ of “Schedule III” and inform to the Stock Exchange material Information(s).

6. Amendment

Notwithstanding anything contained in this Policy the Board shall have the power to amend this Policy at any time.

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) of SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) Regulations, 2015

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.
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) Re-issue 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;
 - 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:

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

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 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;
13. 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 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.