



**POLICY ON CRITERIA FOR DETERMINING MATERIALITY
FOR DISCLOSURE OF EVENTS OR INFORMATION**

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Preface

Title	POLICY ON CRITERIA FOR DETERMINING MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION
Version Number	2.0
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Authorised by	Board of Directors
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Objective

This Policy is framed in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The objective of this Policy is to determine materiality of events or information relating to the Company and to ensure that such information is disseminated in accordance with the Regulations to enable investors to be updated with changes relating to the Company to take well-informed investment decisions.

Definitions

“**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of JSW Energy Limited, as constituted from time to time.

“Company” means JSW Energy Limited.

“Key Managerial Personnel” means key managerial personnel as defined in the Companies Act, 2013.

“Policy” means this Policy on Criteria for Determining Materiality for Disclosure of Events or Information and as may be amended from time to time.

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other law or regulation to the extent applicable to the Company.

Authorized Personnel

The materiality or otherwise of an event or information in terms of the Listing Regulations will be determined severally by the Joint Managing Director and Chief Executive Officer, Director (Finance) / Chief Financial Officer and Company Secretary (“Authorized Persons”) who will ensure disclosures are made to Stock Exchange(s) in accordance with the provisions of this Policy.

The Authorized Persons will also decide the appropriate period / stage at which disclosure is to be made to the Stock Exchange(s) including details that may be disclosed.

Contact details of the Authorized Persons are given on the website of the Company viz. www.jsw.in.

Effective Date

This Policy is effective from 1st December, 2015.

Guidelines for Determining Materiality of Events

A) Events specified in Schedule III Part A (A) of the Listing Regulations as amended from time to time and as enumerated in Annexure A are deemed to be material events and will be disclosed irrespective of application of any quantitative and qualitative materiality thresholds.

B) The following guidelines will be applied for determining materiality for events specified in Schedule III Part A (B) of the Listing Regulations and as enumerated in **Annexure B**.

Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the event / information.

- 1) In order to determine whether a particular event / information is material in nature, 'quantitative' criteria will be applied. 'Quantitative' criteria means the total monetary impact of the event / information on either the assets, liabilities, income, expenses or turnover of the Company during the current financial year and / or the next financial year, that exceeds or is likely to exceed; **10% (ten percent) of the annual consolidated revenues or 10% (ten percent) of the consolidated net worth, whichever is lower**, of the audited consolidated financial statements of the Company of the previous financial year.
 - 2) In circumstances where 'quantitative' test may not be applicable or cannot be applied, a 'qualitative' or 'subjective' criteria as under will be applied to determine materiality:
 - 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 the Company, the event / information is considered material; or
 - d. any event or information having a significant risk to the reputation of the Company; or
 - e. in the opinion of the Authorized Persons or Board of Directors of the Company, the event / information ought to be disclosed.
- C) In determining materiality, a number of factors such as the nature of the information (both quantitative and qualitative), prevailing market conditions, general business practices, industry scenario, business outlook, etc. shall also be taken into consideration.
- D) The Company will generally endeavour to disclose material information concerning the business and affairs of the Company promptly, except when required for the purpose of maintaining the confidentiality of the information.
- E) The Company shall inform the Stock Exchange(s), on which the securities of the Company are listed, as soon as reasonably possible, and not later than twenty-four

(24) hours from the occurrence of material event or information. It shall also upload the intimation on the website of the Company viz. www.jsw.in.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

Dissemination

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company's intranet.

Disclosures

The Authorized Persons may sign the disclosures to be sent to the Stock Exchange(s) and upload on the website for the purposes of fulfilling the obligations under the Listing Regulations.

Annexure A

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 Company 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 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 Company 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;

g) short particulars of any other alterations of capital, including calls;

h) financial results;

i) 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 Company), 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.
- 7A. In case of resignation of auditor, detailed reasons for resignation as given by the auditor.
- 7B. In case of resignation of an Independent Director, detailed reason for such resignation is required to be disclosed to the Stock Exchanges, within 7 days of the resignation, including a confirmation by the Independent Director that there are no material reasons other than those provided.
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 the 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;
16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency code, not involving commercial secrets as may be specified;
- m) Any other material information not involving commercial secrets.
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS;
- p) The details as to the delisting plans, if any approved in the resolution plan.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company:

- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

Annexure B

Part B. Events which shall be disclosed upon application of the guidelines for materiality referred in sub-regulation (4) of regulation (30):

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 the 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.

Part 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 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.

Part D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event / information as specified by SEBI from time to time.