

AVENUE SUPERMARTS LIMITED

Policy for Determination of Materiality of Information or Event

I. Regulatory Framework

The Securities and Exchange Board of India has on September 2, 2015 notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) which came into effect on December 1, 2015. Regulation 30 of the said regulation mandates every listed entity to frame a policy for determination of materiality. Accordingly, this policy is framed as per the requirements of the Listing Regulations.

II. Objective of the Policy

1. To ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company. This Policy shall act as guidance for determining materiality of such price sensitive information.
2. To lay the Guidelines for determining materiality of events/information which require disclosure to the Stock Exchanges where the specified securities of the Company are listed;
3. To ensure uniformity in the Company’s approach towards making disclosures of materiality of events/ information.

III. Definitions

1. **“Board”** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992;
2. **“Company”** means Avenue Supermarts Limited;
3. **“Board of Directors”** means the Board of Directors of Avenue Supermarts Limited, as constituted from time to time;

4. **“Policy”** or **“This policy”** means Policy for determination of materiality of information or Event;
5. **“Key Managerial Personnel”** means Key Managerial Personnel as defined in sub-section (51) of section (2) of the Companies Act, 2013;
6. **“Authorized Officer”** means one or more Key Managerial Personnel as authorized by the Board of Directors of the Company for the purpose of determining the materiality of an event or information and for the purpose of making disclosures to the stock exchange(s).

The capitalized terms that have not been defined herein above and used in this Policy shall have the meaning ascribed to such terms in the Companies Act, 2013, rules made thereunder, Listing Regulations and / or any other SEBI Regulations, as amended from time to time and to the extent applicable to the Company.

IV. Guidelines for determining materiality of events/ information:

1. All events/information stated in Para A of Part A of Schedule III to the SEBI Regulations (as listed in Annexure I to this Policy) are deemed to be material.
2. In respect of events/information stated in Para B of Part A of Schedule III to the SEBI Regulations (as listed in Annexure II to this Policy), the Authorised Officer shall consider the following criteria for determination of materiality of events/information:

Where criteria specified in the SEBI Regulations are not applicable, an event/information would be considered material if the impact or likely impact of the event/information on the Company meets or exceeds the quantitative threshold as mentioned below. While determining materiality, the quantitative thresholds set out below shall be applied to each event/information severally.

- a. Events/information listed in Point nos. 1 to 9 and 11 to 12 of Annexure II to this Policy, shall be considered as material if the impact of the event/information is likely to exceed 10% of the Consolidated Turnover of the Company.
- b. For events/information with respect to any Subsidiary of the Company, an event/ information would be considered material if the impact of the event/ information would exceed 10% of the Consolidated Turnover of the Company.

The above thresholds shall be determined on the basis of last audited consolidated financial statements of the Company.

- c. The quantitative criteria shall be read in conjunction with the qualitative criteria for determining materiality and arriving at the overall decision on the event to be reported.
3. In addition to above quantitative criteria the following factors shall also be considered for determining materiality of any event/ information:
 - a. Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
 - b. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
 - c. Whether the event/ information is in the ordinary course of business; or
 - d. Whether the event/ information represents a significant shift in strategy and is an exit from, or entry into, a significant line of business; or
 - e. Any other event/ information which is material in the opinion of Board of the Company.

V. Disclosure of events/ information to the stock exchanges:

1. Events/ information specified in **Annexure I** of this Policy are deemed to be material events and the Company shall make disclosure of such events or information to the stock exchange(s), without application of guidelines for materiality as mentioned in Clause IV of this Policy, as soon as reasonably possible but not later than twenty four (24) hours from the occurrence of such event or information.
2. Provided further that in case the disclosure is made after twenty four (24) hours of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.
3. The Company shall make disclosure of events/ information as specified in **Annexure II** of this Policy, if considered material after application of guidelines for determining materiality as given under Clause IV of this Policy.
4. The Company shall disclose to the stock exchange(s) material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.

5. The Company shall also disclose all events/ information with respect to its subsidiaries, which are material for the Company, by applying the guidelines of materiality as given in Clause IV of this Policy.

Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of any event/ information as specified by the Board from time to time.

VI. Authority:

1. The Key Managerial Personnel of the Company comprising of the Chief Executive Officer and/or Managing Director, Chief Financial Officer and Company Secretary of the Company are severally authorized to determine materiality of event/ information and disclose such material events / information to the stock exchanges.
2. The Authorized Officer shall ensure that the updated Policy is placed on the Website of the Company at all times.
3. The Authorized Officer shall also disclose on the website of the Company all such events/information which have been disclosed to Stock Exchanges under this Policy, and such disclosures shall be hosted on the website for a period of five years and thereafter as per the policy of the Company on Preservation & Archival of Documents & Record.

VII. Review & Amendment

1. The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant regulation and remains effective. The Board of Directors has the right to alter, modify, add, delete or amend any of the provisions of this policy at its discretion and the new policy shall be displayed to the stakeholders.
2. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

VIII. Dissemination of the Policy:

The Policy, as amended from time to time, shall be placed on the website of the Company - www.dmartindia.com.

Annexure I

Material events/ information to be mandatorily disclosed to the stock exchange(s)

Following is the List of events/information as specified under Para A of Part A of Schedule III of the Listing Regulations:

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 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:
 - 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 the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
 - 7B. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
 - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause a. above
 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.

Annexure II

Following is the List of events / information to be disclosed to the stock exchange(s) 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. 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.