

THE STATE TRADING CORPORATION OF INDIA LIMITED
POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS &
INFORMATION AND THEIR DISCLOSURE

1. PREFACE

The State Trading Corporation of India Limited has adopted the Policy for Determination of Materiality of Events & Information and their Disclosure as contained herein. The Policy has been framed in compliance of Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. PURPOSE

The State Trading Corporation of India Limited ('the Company') is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner. The Company's securities are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company complies with the various disclosure obligations mandated under various laws, rules and regulations. This policy outlines the basis for determining materiality of events or information that warrant disclosure to investors.

3. DEFINITIONS

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

“**Acquisition**” as defined in explanation of sub-para (1) of Para (A) of Part (A) of Schedule III of Listing Regulations i.e.

- 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.

“Board” means the Board of Directors of The State Trading Corporation of India Limited, as constituted from time to time.

“Chairman” means the Chairman of the Board of Directors of the Company, so appointed.

“Company” means “The State Trading Corporation of India Limited”

“Compliance Officer” means the Company Secretary of The State Trading Corporation of India Limited, so appointed.

“Director (Finance)” means the Director (Finance) of The State Trading Corporation of India Limited, so appointed.

“Key Managerial Personnel” means Key Managerial Personnel (KMP) as defined in Section 2(51) of the Companies Act, 2013 i.e.

- (i) the Chief Executive Officer or Managing Director or Manager;
- (ii) the whole-time Director including Chief Financial Officer;
- (iii) the Company Secretary; and
- (iv) such other officer as may be prescribed

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Price Sensitive Information” shall mean any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of Company.

“Stock Exchange” means the BSE Ltd. and National Stock Exchange of India Limited on which the securities of the Company are listed.

Any other word(s) included in this policy and not defined herein shall have the same meaning as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. POLICY

4.1 Materiality of Events / information

- (i) As per Regulation 30(2) of the Listing Regulations, the Company is required to make disclosure of all events/ information specified in Para A of Part A of Schedule III to the Stock Exchanges. Further, as per Regulation 30(3) of the Listing Regulations, events/ information specified in para B of Part A of Schedule III to the Listing Regulations are to be disclosed based on assessment of their materiality.
- (ii) The Company shall consider an event/ information as material if it meets any of the following criteria specified in Regulation 30 (4) (i) of the Listing Regulations:
 - (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;

- (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, the event/information is considered material.

Provided that any confidential information which if disclosed is likely to put at risk the business interest of the Company shall not be disclosed. However, in case information is sought by Stock Exchanges, same will be provided.

4.2 Materiality Events / information

4.2.1 The Company shall make disclosure of the following events/information specified in para A of Part A of Schedule III to the Listing Regulations upon their occurrence, to the Stock Exchanges without any application of the guidelines for materiality.

All events or information shall be first disclosed to stock exchange(s) as soon as reasonably possible and not later than 24 (twenty four) hours from the occurrence of event or information listed hereunder. In case the disclosure is made after twenty four hours of occurrence of the event or information such disclosures provide explanation for delay.

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 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 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.

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;

4.2.2 The Company shall make disclosure of the following events/ information specified in para B of Part A of Schedule III to the Listing Regulations upon their occurrence, to the Stock Exchanges upon application of the guidelines for materiality referred sub regulation (4) of regulation (30)

Concerned Functional Directors should determine the materiality of any information listed hereunder, classify it as material information, decide the appropriate time at which disclosure is to be filed with the stock exchanges and details that may be filed in the best interest of present and potential investors in respect of the following:

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.

4.2.3 The Company shall also make disclosure of 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.

4.2.4 Without prejudice to the above, the Company may make disclosures of event/information as specified by SEBI from time to time.

4.2.5 In case of any amendments/ updations in the list of information/ events specified in Part A of Schedule III of the Listing Regulations, the above list of material information/ events shall stand accordingly modified.

4.3 All Officials of the Company shall be under an obligation to disclose material event and/or price sensitive information to the Compliance Officer and shall abstain from making public disclosures before the same is intimated to the Stock Exchange(s).

Company Secretary will be responsible for overall monitoring of Policy for Determination of Materiality and Disclosure to ensure the compliance.

Contact details:

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