



**ZF STEERING GEAR (INDIA) LIMITED**

**POLICY ON DETERMINATION OF MATERIALITY FOR  
DISCLOSURE OF EVENTS OR INFORMATION**

(Effective from December 1, 2015)

**Registered Office:**

Gat No. 1242/44, Village Vadu Budruk,

Tal. Shirur, Dist. Pune – 412 216.

CIN: L29130PN1981PLC02373

**1) Preamble :**

As per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**the Listing Regulations**), a listed entity is required to frame a policy for determination of materiality, for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the Listing Regulations and such Policy is also required to be disclosed on the company's website.

Accordingly, ZF Steering (India) Limited (**the Company**) adopted the following Policy as approved by the Board of Directors of the Company.

**2) Objectives of the Policy:**

The objectives of this Policy are as follows:

- (a) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly - traded company, as laid down by the Listing Regulations, various Securities Laws and any other applicable legislation.
- (b) To ensure that the information disclosed by the Company is timely and transparent.
- (c) To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- (d) To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- (e) To provide a framework that supports and fosters confidence in the quality and integrity of information, released by the Company.
- (f) To ensure uniformity in the Company's approach to disclosures.

**3) Guidelines for Assessing Materiality:**

Except the event specified in Para A of Schedule III to the Listing Regulations, which are deemed to be material events, the following guidelines shall be applicable in determining/assessing materiality. The text of Para A of Part A of Schedule III is attached to the Policy for ease of reference.

Materiality shall be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following qualitative criteria will be applicable for determining materiality of an event or an information.

- (a) The omission of an event or information, 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) Where the criteria specific in sub-clauses (a) and (b) are not applicable, an event/ information may be treated as being material, if in the opinion of the Chairman of the Company, the event/ information is considered material considering the facts, circumstances and certainty of having of an event or information being happening or material.

**4) Persons Responsible/Authorized for Disclosure**

The Chairman of the Company is authorized person for the purpose of determining materiality of an event or information.

**5) Guidance on Timing of disclosure of an event or information**

The Company may be confronted with the question as to when an event/ information can be said to have occurred.

In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required in other cases (such as natural calamities, disruptions, etc.), the answer to the above question would depend upon the timing when the Company became aware of the event/ information.

In the former, the events/ information can be said to have occurred upon receipt of approval of the Board of Directors of the Company or authorized person to give such approval.

In other cases as soon as the Company or official of the Company becomes aware, the information should be disclosed.

**6) Replies to Queries, if any**

The Chairman of the Company and in absence of the Chairman, the Company Secretary of the Company shall be the Authorized officer to reply queries raised by the Stock Exchange, with respect to any event or information.

**7) Policy Review**

The Chairman of the Company is authorized to make appropriate changes to the above policy, taking into account the law for the time being in force. Material changes to the Policy will need approval of the Board of Directors.

**8) Effective Date**

This Policy is effective December 1, 2015.

**9) Website**

As per the provisions of the Listing Regulations, this Policy shall be disclosed on the website of the Company.

Pune

**Chairman**

## SCHEDULE III

### PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES [SEE REGULATION 30]

#### 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 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 percent 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 percent 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;
  - 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 agreements(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.