Policy for determination and disclosure of Material Events

Owner
Company Secretary

Effective Date
December 01, 2015
POLICY FOR DETERMINATION OF MATERIAL EVENTS

1. Preamble, Objective and Scope

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The objective of this policy is to:

a) determine the materiality and disclosure of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations;

b) ensure that the Company complies with the disclosure obligations under the SEBI Listing Regulations;

c) provide shareholders, investors and the market with timely, direct and equal access to material information issued by the Company;

d) promote investor confidence in the integrity of the Company and its securities.

2. Interpretation

Words used in this policy shall have the same meaning ascribed to it in the Listing Regulations, SEBI Act or Rules and Regulations made thereunder and the Companies Act, 2013 or any other relevant legislation / law applicable to the Company.

If due to any reason any provision(s) / clause(s) of this Policy is rendered unlawful or unenforceable, then the Policy shall be read as excluding that clause(s) / provision(s).

3. Disclosure of material events or information

The Company shall ensure prompt disclosure of all material events / information and UPSI (that are intended to be made public or are required to be made public as per statutory regulations) to the stock exchanges where the securities of the Company are listed as soon as possible but not later than 24 hours from the occurrence of such event or information. Provided that in case the disclosure is made after 24 hours of occurrence of event or information, the Company shall, along with such disclosures provide explanation for delay.

Provided further that the events or information stated in sub-para 4 of Annexure A shall be disclosed within 30 minutes of the conclusion of the board meeting. The disclosure of events or information to the stock exchanges shall be made as follows:

i. The events specified in Annexure A of this Policy, on occurrence, will be considered material irrespective of their size, volume, frequency or any other criteria;

ii. The events specified in Annexure B of this Policy and events or information with respect to subsidiaries which are material for company shall be disclosed upon application of the guidelines for materiality as per clause 4 of the Policy;

iii. The events or information other than specified in Annexure A and B 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 will, be evaluated for materiality on case to case basis;
iv. Without prejudice to the generality of para i, ii, and iii above, the Company may make disclosures of event/ information as specified by the Board from time to time.

4. Criteria for determination of Materiality

The materiality of events / information shall be determined on case to case basis depending on specific facts and circumstances relating to respective information/event(s). In terms of Regulation 30 (4)(ii), the Company shall follow the following criteria specified in sub-regulation 30(4)(i) for determination of the 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;
c) 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 or the person(s) authorized by the Board of Directors, the event / information is considered material.

5. Responsibility for determination of materiality of events/ information

Any one of the Managing Director & CEO or CFO or the Company Secretary & Compliance Officer of the Company jointly with Chief Investor Relation Officer (Authorised Persons) shall be responsible for determining the materiality and prompt disclosure of an event and ensuring overall compliance of this Policy.

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<thead>
<tr>
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<th>Designation</th>
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6. Exceptions to the disclosure of material event or information

The provisions of this Policy shall not be applicable w.r.t. any event / information, disclosure of which may lead to a breach of law.

7. Disclosures by the Company

The policy shall be hosted on the website of the Company at www.bharti-infratel.com and shall co-exist with the Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information.
8. **General**

The Managing Director and CEO, the Company Secretary and the Chief Investor Relation Officer shall be jointly authorised to amend the Policy to give effect to any changes/amendments notified by SEBI from time to time, in this regard. Such amended policy shall be periodically placed before the Board for noting and ratification. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@bharti-infratel.in.
Annexure A

Events which shall be disclosed without any application of the guidelines for Materiality:

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 the Company 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 Company or arrest of Key Managerial Personnel or promoter;

7. Change in Directors, Key Managerial Personnel, Auditor and Compliance Officer:
   A. In case of resignation of the auditor of the Company, detailed reasons for resignation, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor;
B. In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made by the Company to the stock exchanges:

i. Detailed reasons for the resignation of independent directors as given by the said director.

ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.

iii. The confirmation as provided by the independent director shall also be disclosed to the stock exchanges along with the detailed reasons as specified in sub-clause (i) 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.

16. The following events in relation to the corporate insolvency resolution process (CIRP) under the Insolvency Code:

a) Filing of application by the Company for initiation of CIRP, also specifying the amount of default;

b) Filing of application by financial creditors for initiation of CIRP against the Company, 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 Company 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
1) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;  
m) Any other material information not involving commercial secrets.

17. Initiation of Forensic Audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to 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 listed entity along with comments of the management, if any.
Annexure B

Events / information which shall be disclosed upon application of test of materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division other than in the ordinary course of business;

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 launches other than in ordinary course of business;

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.