

PNEUMATIC HOLDINGS LIMITED

POLICY FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION

1. INTRODUCTION:

The Board of Directors (the Board) of Pneumatic Holdings Limited (PHL / the Company) has adopted the 'Policy for Determination of Material Events or Information' as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

2. POLICY OBJECTIVE:

The objective of the Policy is to ensure timely and adequate disclosure of material events or information as per Regulation 30 of the Listing Regulations.

This Policy will be effective from 1 December 2015.

3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

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

A particular event / information will be considered as material in nature, if it substantially alters the existing composition of revenue / profits of the Company or substantially alters the risks of the Company. To bring in objectivity to these criteria, the tests to be applied, will be as follows:

A. Quantitative Criteria

Quantitative criteria will be computed on the basis of the last Audited Consolidated Financial Statements

The threshold test would be:

- exceeds 5% of the gross turnover, or
- exceeds 10% of the net worth,

However, for the year 2015-16, gross turnover criteria will not be considered and networth as on 'Appointed Date' i.e. 1 April 2015 as per bifurcated Balance Sheet of the Company on Standalone basis will be considered.

OR



PNEUMATIC HOLDINGS LIMITED

B. Qualitative Criteria

Qualitative criteria would mean an event / information:

- a) which will substantially impact operations or performance of the Company, or
- b) which if suppressed would have significant impact on stock price of the Company when such information / event comes to public light at a later date.

4. PROCEDURE:

1. All events / information shall be disclosed to the Stock Exchanges, as specified in **Annexure I** within 30 minutes of the closure of the Board Meeting in which such events / information is considered.
2. All events / information shall be disclosed to the Stock Exchanges, as specified in **Annexure II** as soon as reasonably possible but not later than 24 hours from the occurrence of event or information.
3. All events / information as specified in **Annexure III** based on criteria of materiality as specified above shall be disclosed to the Stock Exchanges, as soon as reasonably possible but not later than 24 hours from the occurrence of event / information.
4. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
5. All events / information which have been disclosed to the Stock Exchanges, will be hosted on the website of the Company for a minimum period of five financial years and thereafter as per the 'Archival Policy' of the Company.
6. The Company shall disclose all events or information with respect to its subsidiaries which are material as per criteria specified below:

a) Listed Subsidiaries:

Material event / information disclosed by Listed Subsidiary to the Stock Exchanges and Holding Company.

b) Un-Listed Subsidiaries:

Any Material event / information which qualifies Quantitative Criteria specified above, as disclosed by Subsidiary Company to the Holding Company



PNEUMATIC HOLDINGS LIMITED

5. DISCLOSURE:

This Policy shall be disclosed on the Company's website.

6. AMENDMENT:

The Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate or in accordance with any amendment to the applicable provisions of the Listing Regulations.

**For and behalf of the Board of Directors
Of Pneumatic Holdings Limited**



**Atul C. Kirloskar
Chairman**



Place: Pune

Date: 1 FEB 2016

PNEUMATIC HOLDINGS LIMITED

ANNEXURE I

(As prescribed under Part A of Schedule III of Regulation 30 SEBI Listing Regulations, 2015 including any amendment thereunder)

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/dispached;
- (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 / restructuring of capital, including calls;
- (h) financial results;
- (i) decision on voluntary delisting by the Company from stock exchange(s).



PNEUMATIC HOLDINGS LIMITED

ANNEXURE II

(As prescribed under Part A of Schedule III of Regulation 30 SEBI Listing Regulations, 2015 including any amendment thereunder)

The following shall be events / information, upon occurrence of which the Company shall make disclosure to stock exchange(s):

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: -

A. 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.

B. For the purpose of explanation 'A', the word 'control' shall mean as defined in Clause 2(e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be amended from time to time.

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).

The details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the Company or to any fixed deposit programme or to any scheme or proposal of the Company involving mobilization of funds whether in India or abroad. In case of a downward revision in ratings, the Company shall also intimate the reasons provided by the rating agency for such downward revision.



PNEUMATIC HOLDINGS LIMITED

4. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(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.
5. Fraud / defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
Explanation: Whenever any litigations is initiated for any fraud / default.
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
7. Appointment or discontinuation of share transfer agent.
8. Corporate debt restructuring.
9. One time settlement with a bank.
10. Reference to BIFR and winding-up petition filed by any party / creditors.
11. 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.
12. Proceedings of Annual and extraordinary general meetings of the Company.
13. Amendments to memorandum and articles of association of the Company, in brief.
14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.



PNEUMATIC HOLDINGS LIMITED

ANNEXURE III

(As prescribed under Part B of Schedule III of Regulation 30 SEBI Listing Regulations, 2015 including any amendment thereunder)

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 listed entity 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 listed entity.

Explanation: Whenever any litigation initiated for any fraud / default.

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.



PNEUMATIC HOLDINGS LIMITED

13. 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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.

