



Mini Diamonds (India) Ltd.

DW-9020 Bharat Diamond Bourse, Bandra Kurla Complex, Bandra- East, Mumbai – 400051.
Email: accounts@minidiamonds.net Phone: 022 4964 1850, CIN: L36912MH1987PLC042515

POLICY FOR DETERMINATION OF MATERIALITY

BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), requires Mini Diamonds (India) Limited (the “Company”) to frame a policy for determination of materiality for disclosure of events or information (“Policy”) to the Stock Exchanges, based on the criteria specified in the SEBI Listing Regulations. The Policy is also required to be disclosed on the website of the Company.

This policy has been adopted and approved by Board of Directors at its meeting held on February 15, 2021.

SCOPE OF THE POLICY

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “Disclosure of events or information to Stock Exchanges”. This Policy shall be read along with the Company’s policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

As per Regulation 30(5) of SEBI Listing Regulations, the Managing Director, the Chief Financial Officer and the Company Secretary & Compliance Officer of the Company jointly/severally will be the authorized Key Managerial Personnel (“KMP”) to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorised Persons are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit. The Heads of Departments (Designated Officers) responsible for their respective operational areas must promptly report any material event or information, as defined in the company’s policy, to the Managing Director, the Chief Financial Officer and the Company Secretary & Compliance Officer (“KMP”). If a Designated Officer is unsure about the materiality of an event or information, they must still report it. This reporting should occur immediately after the Designated Officer becomes aware of the event or information.

On receipt of a communication of a potential material event / information, the Key Managerial Personnel shall:

- i. Review the event / information and take necessary steps to verify its accuracy;
- ii. Assess if the event / information is required to be disclosed to the Stock Exchanges under the Regulations under this policy and take necessary actions.



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If the Key Managerial Personnels are uncertain about the materiality of any event or information, they may seek external legal advice for appropriate guidance.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS:

The Company shall consider the following criteria for determination of materiality of events / information:

1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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;
3. 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 of Directors of Company, the event / information is considered material

AUTHORIZATION FOR MAKING DISCLOSURES:

The Managing Director/Company Secretary of the Company is authorized for the purpose of determining materiality of an event / information and for the purpose of making disclosures to stock exchange(s) under this Policy, the contact details of whom are also available on the website of the Company.

DISCLOSURES OF EVENTS OR INFORMATION

The events to be disclosed by the Company are broadly divided into three categories:

Category A:

Covers the events that need to be necessarily disclosed without applying any test of materiality.

Category B:

Covers the events that needs to be disclosed by the Company, if considered material.

Category C:

Covers the information / events of major developments.

DISCLOSURES AND TIMELINESS:

1. The Company shall disclose to stock exchange(s) of all events, as specified in
 - Category A of this Policy, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information. However, in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay;
 - Sub-para 4 of Category A of shall be specifically made within thirty minutes of the conclusion of the board meeting.



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2. The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
3. The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter the same shall be removed as per the archival policy of the Company, as disclosed on its website.

COMMUNICATION AND DISSEMINATION OF THE POLICY

This policy after duly approved by the Board of Directors shall be notified and communicated to all the employees/ functional head of respective departments of the Company. For both existing and new employees and directors, a copy of this policy will be available on the Company's website.

AMENDMENTS

The KMP authorised under this Policy will review the Policy from the perspective of the SEBI Listing Regulations and determine the events / information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

GUIDANCE ON WHEN AN EVENT/ INFORMATION IS DEEMED TO BE OCCURRED

The events / information shall be said to have occurred upon approval of Board of Directors of the Company in certain events, such as, further issue of capital through rights issue. In other instances, events or information are deemed to have occurred only after receiving approval from both the Board of Directors and the shareholders of the Company.

Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the Board of the Company pending shareholder's approval.

Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event / information.

PENALTY FOR NON-ADHERENCE OF THE CLAUSES OF THE POLICY



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Non - Adherence to any of the Clause as mentioned in this Policy will attract penalty which shall not be less than one Lakh rupees but which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.



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CATEGORY-A

Below are the details which the Company needs to disclose for the events that are deemed to be material:

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;
["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 company holds shares or voting rights aggregating to 5% 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 this explanation and such change exceeds 2% 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 held for consideration of or in respect of the following:
 - 4.1. 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;
 - 4.2. any cancellation of dividend with reasons thereof;
 - 4.3. the decision on buyback of securities;
 - 4.4. the decision with respect to fund raising proposed to be undertaken;
 - 4.5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - 4.6. 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;
 - 4.7. short particulars of any other alterations of capital, including calls;
 - 4.8. financial results;
 - 4.9. 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;



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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 Bank;
11. Reference to BIFR and winding-up petition filed by ally 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.



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CATEGORY B

Events which shall be disclosed upon application of the guidelines for materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Any of the following events pertaining to the listed entity:
 - a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - b) adoption of new line(s) of business; or
 - c) closure of operation of any unit, division or subsidiary (in entirety or in 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) or any other agreement(s) which are binding and not in the 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 divisions of the Company due to a 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of a guarantee or an indemnity or becoming a surety by whatever names called, for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;



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CATEGORY C

The Company shall also disclose other information/ events with major developments likely to affect business of the Company, which shall, inter alia, include:

1. Change in Accounting Policy with significant impact on accounts etc;
2. Any information which may be necessary to enable the investors to appraise their positions and to avoid the establishment of false market in such securities;
3. Any market sensitive information or event determined as material by the Key Managerial Personnel or the Board of Directors of the Company.