



## 3M India Limited – Policy for Disclosure of Events or Information

### Purpose

This policy for disclosure of events or information is made pursuant to the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations dated September 02, 2015 (“Listing Regulations”) and is effective December 1, 2015.

### Authorized Persons

The materiality of information/event for the purpose of and its disclosure under the Listing Regulations will be determined collectively by Managing Director, Whole-time Director, CFO and Company Secretary (“Authorized Persons”). The Company Secretary shall be the custodian of the disclosure process and documentation.

### Criteria for Determination of Materiality

1. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, both ‘quantitative’ and ‘qualitative’ criteria may be found to be relevant and applied, as deemed appropriate by the Authorized Persons.
2. The criteria to determine materiality shall encompass the following and shall apply to all events specified in **Annexure 1**:
  - (a) the omission of an event or information which is likely to:
    - I. result in discontinuity or alteration of an event already available publicly; or
    - II. result in significant market reaction if the omission came to light at a later date.
  - (b) Omission of an event or information, whose value, or the expected impact, in terms of value, exceeds the lower of the following:
    - (i) **two percent of turnover**, as per the last audited consolidated financial statements of the Company;
    - (ii) **two percent of net worth**, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
    - (iii) **five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements** of the Company;

However, in certain instances, all of the three parameters specified above may not be relevant to an event. Applying the principle of *Reddendo Singula Singulis* (by assigning each one to each one) to the materiality provisions of Listing Regulations, it can be said that since there are separate thresholds of 2% of turnover, 2% of net worth and 5% of average PAT, each of such values can be applied individually and a particular threshold would be relevant and applicable depending on the nature of the event/ information being assessed. For instance, any event which has an impact on the turnover or profits of the Company can be



considered material by comparing the value of such event/ information with 2% of the consolidated turnover or 5% of the average PAT respectively.

Accordingly, for every event / information listed in Para B - Part A of Schedule III of the Listing Regulations (Referenced as Annexure A below), reference can be made to the Industry Standard note or any other circular(s) , FAQ(s) issued by SEBI or Stock Exchanges from time to time.

3. In case where the criteria specified above are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered material.

### **Deemed material events**

Events specified in **Annexure 2** are deemed to be material events under the Listing Regulations and shall have to be necessarily disclosed without any criteria.

### **General**

1. The Board or the Authorized Persons may determine any other event/information as 'material' for the purpose of and make its disclosure under the Listing Regulations, provided the Board is informed of the same before or upon the occurrence of the event or the availability of the information.
2. The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:
  - i. **thirty minutes** from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting: Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- ii. **twelve hours** from the occurrence of the event or information, in case the event or information is emanating from within the Company
- iii. **twenty-four hours** from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Note: Disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours;



- iv. **Seventy-Two hours** of receipt of the notice by the Company, if any litigation or dispute is instituted against the Company (other than tax litigation or dispute) in terms of sub-para 8 of Para 'B' of Part 'A' of Schedule III. This is applicable only when the Structured Digital Database is maintained under SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. Apart from the Event/information set out in Annexure 1 and Annexure 2, the entity shall disclose 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. **Guidelines for Rumour Verification**

The Company shall confirm, deny or clarify, upon material price movement as may specified by stock exchanges/ SEBI, any reported event/ information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event/ information is circulating amongst the investing public within the timelines specified under law. The confirmation/ denial/ clarification shall be made as per regulation 30(11) of the Listing Regulations, as amended from time-to-time, circulars/ notifications issued by SEBI/ stock exchanges in this regard and in accordance with Industry Standard Note on verification of market rumours under Regulation 30(11) issued by Industry Standard Forum ('ISF').
5. The company shall make disclosures of event/information as specified by the SEBI from time to time.
6. The disclosures shall be hosted on the website of the Company for five years.
7. Any queries in relation to this Policy may be addressed to Company Secretary and Compliance Officer of the Company.
8. In the event of any conflict between the provisions of this Policy and of the SEBI Regulations or any other legal requirements (Applicable Laws), the provisions of the Applicable Laws shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Laws shall automatically apply to this Policy.



## ANNEXURE 1

### (Events to be disclosed upon application of guidelines for materiality)

(Reference: Schedule III, Part A, Para B of Listing Regulations)

Sl.No	Events requiring Disclosure
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 Company: (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 to 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 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, 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 Company Explanation: For litigations or disputes having similar question of law and/or factual matrix such that there is a likelihood of similar outcome of proceedings, the listed entity should disclose such matters, if the aggregate / cumulative amount involved in all such matters cross the materiality threshold.
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 guarantees or indemnity or becoming a surety, by whatever name called, for any third party
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
13.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.



## ANNEXURE 2

(Events deemed to be material)

(Reference: Schedule III, Part A, Para A Listing Regulations)

Sl.No	Events requiring Disclosure
1.	<p>Acquisition (s) including agreement to acquire, Scheme of Arrangement (amalgamation/merger/demerger/restructuring) or sale or disposal of any unit(s), division(s) whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company or subsidiary of the Company or any other restructuring.</p> <p>Explanation (1) - For the purpose of this sub para, the word “acquisition” shall mean: a. The Company 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 2% of the total shareholding or voting rights in the said company. c. the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.</p> <p>Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include- company such that the amount of the sale exceeds the threshold specified in sub clause (c) of clause (i) of sub-regulation (4) of regulation 30.</p> <p>Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.</p>
2.	<p>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.</p>
3.	<p>New Rating(s) or Revision in Rating(s)</p>
4.	<p>Outcome of meetings of the Board of Directors. Company shall disclose to the Stock Exchanges within 30 minutes of the closure of the meeting held to consider the following:</p> <p>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 buy back of securities. d. The decision with respect to fund raising proposed to be undertaken.</p>



	<p>e. Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched.</p> <p>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</p> <p>g. Short particulars of any other alterations of capital, including calls</p> <p>h. Financial results</p> <p>i. Decision on voluntary delisting by the Company from stock exchanges</p>
5.	Agreements (viz shareholder agreements) joint venture agreements, family settlement agreements (to the extent that it impacts management and control of the Company ), agreements/treaties/contracts with media companies which are binding and not in normal course of business, revisions or amendments and terminations thereof
5A	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:</p> <p>However, if such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.</p> <p>Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.</p>
6.	<p>Fraud or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:</p> <p>For this purpose:</p> <p>(i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.</p> <p>(ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.</p>



	<p>Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.</p> <p>Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.</p> <p>Explanation 3 - Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity .</p>
7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), senior management, Auditor and Compliance Officer
7A.	Resignation of the auditor of the Company with detailed reasons for resignation of auditor, as given by the said auditor.
7B.	Resignation of an independent director of the Company. The Company shall, within seven days from the date of resignation, submit following disclosures to the stock exchanges as provided by the independent director; a. Detailed reasons for the resignation of the independent director and b. Confirmation that there is no material reason other than the reason provided by the independent director.
7C.	In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Company within seven days from the date that such resignation comes into effect.
7D.	In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8.	Appointment or discontinuation of a share transfer agent
9.	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details: (i) Decision to initiate resolution of loans/borrowings. (ii) Signing of Inter-Creditors Agreement (ICA) by lenders. (iii) Finalization of Resolution Plan. (iv) Implementation of Resolution Plan. (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.



10.	One-time settlement with a bank
11.	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.	<p>Schedule of Analyst or Institutional Investor meet at least two working days in advance (excluding the date of the intimation and the date of the meet). Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.</p> <p>Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:</p> <p>(i) The audio recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;</p> <p>(ii) the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;</p> <p>(iii) the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls</p>
16.	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code as required by Schedule III Part A
17	<p>In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:</p> <p>a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;</p> <p>b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any forensic Audit refers to audits that are initiated with the objective of detecting any misstatement in financials, misappropriation/siphoning, or diversion of funds.</p>
18.	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.



19.	Actions initiated, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, (along with the details as prescribed by SEBI LODR) in respect of the following: (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;
20.	Action(s) taken, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following: (a) suspension. (b) imposition of fine or penalty. (c) settlement of proceedings. (d) debarment. (e) disqualification. (f) closure of operations. (g) sanctions imposed. (h) warning or caution; or (i) any other similar action(s) by whatever name called;  Explanation: While considering whether a matter involving directors, key managerial personnel, senior management, promoter or subsidiary requires disclosure can restrict themselves to disclosing such matters which are “in relation to the listed entity” and have an impact on operations, financial position or reputation of the listed entity.
21.	Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013

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