



TITAGARH RAIL SYSTEMS LIMITED
(formerly TITAGARH WAGONS LIMITED)

POLICY ON DISCLOSURE OF MATERIAL EVENTS/INFORMATION

OBJECTIVE

For prompt dissemination of material events/information to public domain, the Board of Directors (Board) of **Titagarh Rail Systems Limited** (formerly Titagarh Wagons Limited) (TRSL) has adopted this policy which is applicable from December 01, 2015.

REGULATORY

TRSL's equity shares are listed at BSE and NSE and Regulation 30 (4) (ii) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (SEBI LODR) stipulates listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website."

POLICY

The Vice Chairman & Managing Director & CEO and the Director Finance & CFO of the Company are authorised for the purpose of determining materiality of an event or information and the Chief Financial Officer and the Company Secretary & Chief Compliance of the Company are authorised for making disclosures to the stock exchanges. The contact details of the above KMP so designated shall be disclosed to the stock exchange and also be placed on the Company's website.

CATEGORY A

Outcome of the meetings of the Board Meeting held to consider the following decisions shall be disclosed to the BSE and NSE, within 30 minutes of the closure of the said Meeting:

1. Declaration of Dividend and/or cash bonuses recommended or declared and other information pertaining thereto
2. Cancellation of dividend with reasons thereof
3. Buyback of shares
4. Fund raising proposed to be undertaken
5. Increase in capital by issue of bonus shares
6. Reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue
7. Alteration of capital
8. Financial results
9. Voluntary delisting from stock exchanges

CATEGORY B

Events considered Material in view of the Board of Directors which need to be disclosed to the stock exchanges within **twelve hours** from the occurrence of the event or information, in case the event or information is emanating from within the listed entity or **twenty four hours** from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

1. Acquisition(s) (including Agreements to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring) or sale or disposal of any unit(s), division(s) or whole or substantially the whole of the undertaking(s), or subsidiary, sale of stake in associate company of the Company or any other restructuring;
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. New Rating(s) or] Revision in Rating(s).
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. 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 listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:
(Provided that 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.)
6. 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 listed entity, whether occurred within India or abroad:
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
8. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, 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.
9. Resignation of independent director including reasons for resignation: 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 to the stock exchanges by the Company:
 - i. The letter of resignation along with detailed reasons for the resignation as given by the said director
 - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
10. 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 listed entities within seven days from the date that such resignation comes into effect.
11. 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).

12. Appointment or discontinuation of share transfer agent.
13. 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
14. One time settlement with a bank.
15. Reference to BIFR and winding-up petition filed by any party / creditors
16. 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.
17. Proceedings of Annual and extraordinary general meetings of the listed entity.
18. Amendments to memorandum and articles of association of listed entity, in brief.
19. a. Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
- b. 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:
 - i. the presentation and the audio/video 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;
 - ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.
20. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code
21. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company.
22. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the 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.
23. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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;
 - d) along with the following details pertaining to the actions(s) initiated, taken or
 - e) orders passed:
 - i. name of the authority;

- ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
24. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, 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;
 - j) along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
25. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.

Note: If the Management is not in a position to inform the stock exchange within the timelines specified under regulation 30 of SEBI LODR of the decision taken at the Board Meeting, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

CATEGORY C

Other Events/Decisions not considered Material in view of the Board of Directors which however, needs to be disclosed to the stock exchanges within as soon as it is possible but not later than 12 or 24 hours as applicable from the day of occurrence of the event or information, based on criteria specified in Regulation 30(4) of SEBI LODR and mentioned below in Category D:

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 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 listed entity.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
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.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of SEBI LODR, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such Authority.

Any other information that may be deemed necessary jointly and severally by the KMPs of the Company who would consider that it is necessary for the holders of the securities of the listed entity to appraise its position and to avoid the establishment of a false market.

The Board may in its discretion also authorise the KMPs consisting of Managing Director/ Wholetime Director, Chief Financial Officer and the Company Secretary to periodically bring to the attention of the Board or disclose (subject to such information being placed at prior to or at the immediate next meeting of the Board) such events, information or material that in its wisdom may be necessary for dissemination to BSE and NSE and public.

CATEGORY D

I. Criteria for disclosure of events / information

1. The omission of an event or information would be 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; or
3. the 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 listed entity;
 - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, 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 listed entity;

4. In case where the criteria of an event / information does not fall in the first three categories, but still in the opinion of the board of directors are considered material

Note – The policy for determination of materiality has been adopted in terms of provisions of SEBI LODR and there is no intent to dilute any requirement specified under the provisions of SEBI LODR.

The policy has been drafted so as to assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

II. Disclosure requirements for certain types of agreements binding the Company:

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company (as applicable), who are parties to the agreements specified in clause 5A of Para A of Part A of Schedule III to SEBI LODR, shall inform the Company about the agreement to which such a Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements:

Website Updation / Updates to Stock Exchanges

The Company shall upload all disclosures made under the regulations to the stock exchanges on its website and where it shall be continued to be hosted for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

Compliance Officer

The Compliance Officer for the purpose of complying with the provisions of SEBI LODR shall be the Company Secretary of the Company

Review

This policy shall evolve by review by the Board and if thought appropriate, may be modified from time to time as may be necessary.