



**VARUN BEVERAGES LIMITED**

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION**

**(Effective from March 28, 2016)**

**(Updated on May 12, 2017)**

## **Policy for Determination of Materiality of Events or Information**

### **1. Title:**

This policy shall be known as the “Policy for Determination of Materiality of Events / Information of Varun Beverages Limited” (the “Policy”) and has been made pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Regulations”).

### **2. Applicability:**

This Policy shall be applicable to Varun Beverages Limited.

### **3. Definitions:**

In this Policy:

- a) “Company” shall mean Varun Beverages Limited;
- b) “Compliance Officer” shall mean the Company Secretary of the Company, and in his absence, any other senior officer designated so and reporting to the Board of Directors as mentioned in the Regulations;
- c) “CFO” shall mean the Chief Finance Officer of the Company or such other person, by whatever name called, who supervises the finance function of the Company;
- d) “PIT Code” shall mean the Code of Conduct for Prevention of Insider Trading adopted by the Board of Directors of the Company;
- e) “Stock Exchanges” shall mean the stock exchanges on which the securities of the Company are listed; and

Words and terms used in this Policy and not defined herein, but defined in the Regulations, the PIT Code, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Depositories Act, 1996 or the Companies Act, 2013, shall have the meanings respectively assigned to them in such code or legislation.

### **4. Authority to make disclosures:**

The Compliance Officer and the CFO shall, jointly, determine whether any disclosure needs be made to the Stock Exchanges under the Listing Regulations in relation to any event, based on their assessment of impact of such event against the materiality thresholds detailed below and shall ensure that the disclosures are suitably uploaded on the Company’s website.

### **5. Disclosure of information relating to events deemed to be material:**

In relation to all events that are listed under Para A of Part A of Schedule III to the Regulations, the Company shall disclose to the Stock Exchanges, the information required by the Regulations in the manner required by the Regulations.

### **6. Determination of materiality for other events:**

Events listed under Para B of Part A of Schedule III of the Regulations shall be considered as material if they meet the criteria listed in the table below:

<b>S. No.</b>	<b>Event</b>	<b>Criteria</b>
1.	Commencement or any postponement in the date of commencement of commercial	The investment in the unit / division is not less than 10% of the consolidated net worth of the Company OR the expected turnover from the

	production or commercial operations of any unit/division.	unit / division is not less than 10% of the consolidated turnover of the Company; whichever is higher <sup>1</sup> .
2.	Change in the general character or nature of business brought about by <ul style="list-style-type: none"> <li>- arrangements for strategic, technical, manufacturing, or</li> <li>- marketing tie-up;</li> <li>- adoption of new lines of business or</li>   <li>- closure of operations of any unit/division (entirety or piecemeal).</li> </ul>	<p>The investment in such arrangement / marketing tie-up / new line of business is not less than 10% of the consolidated net worth of the Company OR the expected turnover from such arrangement / marketing tie-up / new line of business is not less than 10% of the consolidated turnover of the Company; whichever is higher.</p> <p>The affected turnover of such unit/ division is not less than 10% of the consolidated turnover of the Company.</p>
3.	Capacity addition or product launch.	The investment in the capacity addition / product launch is not less than 10% of the consolidated net worth of the Company OR the expected turnover from such capacity addition / product launch is not less than 10% of the consolidated turnover of the Company; whichever is higher.
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	The estimated revenue from such orders/ contracts that are not in the normal course of business is not less than 10% of the consolidated revenue of the Company.
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.	The agreement is not in the normal course of business AND the quantum of borrowing, or the total value of the contract, as the case may be, is not less than 10% of the consolidated net worth of the Company.
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.	The affected turnover of such unit/ division is not less than 10% of the consolidated turnover of the Company.
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	The affected turnover by change in regulatory framework is not less than 10% of the consolidated turnover of the Company.
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	The amount assessed or claimed as a potential liability is not less than 10% of the consolidated net worth of the Company.

<sup>1</sup> Dissemination of information to public through media / news channel / otherwise by the Company's official(s) shall be disseminated after giving due intimation to Stock Exchanges.

9.	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	The amount involved or assessed as the potential loss is not less than 1% of the consolidated net worth of the Company.
10.	Options to purchase securities including any ESOP/ESPS Scheme.	All options sanctioned/ granted and shares allotted, irrespective of the number, provided that a consolidated disclosure shall be made for all sanctions/ grants/ allotment on a particular day in a manner that the number of options/ shares attributable to any individual shall not be disclosed unless otherwise required by law.
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	The guarantee or indemnity or surety is for a third party (i.e. any person or entity not being a subsidiary / associate / group Company of the Company) AND the value is not less than 10% of the consolidated net worth of the Company.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	The affected turnover by such grant, withdrawal, surrender, cancellation or suspension is not less than 10% of the consolidated turnover of the Company.

Note: For determining materiality as above, the net worth / turnover / revenue from the latest available audited annual financial statements shall be considered. Where any amount is not directly available from the financial statements, the Company shall make an estimate therefor, based on the latest available audited annual financial statements.

#### **7. Discretion to make disclosures where materiality test is not satisfied:**

Where the Compliance Officer or the CFO are satisfied that although a particular event does not meet the test of materiality as above, disclosure of information in relation thereto will ensure that investors are better informed with regard to the Company or non-disclosure of such information will distort the market for the Company's securities, such information may be disclosed to the Stock Exchanges under the Listing Regulations.

#### **8. Publication of the Policy:**

This Policy, upon its adoption by the Board of Directors of the Company, along with contact details of the persons authorised to make disclosures hereunder, shall be uploaded on the Company's website and any updates hereto shall be promptly reflected on the Company's website.

#### **9. Review / Amendment:**

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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## Appendix: Contact Information of Authorized Persons

The contact information of the persons authorized to make disclosures under this Policy is as below:

<b>Sr.</b>	<b>Name and Designation</b>	<b>Contact Information</b>
1	Mr. Kamlesh Kumar Jain, Whole-time Director & Chief Financial Officer	Varun Beverages Limited RJ Corp House, Plot no. 31, Institutional Area, Sector - 44, Gurgaon - 122 002 (Haryana) E-mail id.: <a href="mailto:Kamlesh.jain@rjcorp.in">Kamlesh.jain@rjcorp.in</a> Ph. No. 0124- 4643100 - 500
2	Mr. Ravi Batra, Chief Risk Officer & Group Company Secretary	Varun Beverages Limited RJ Corp House, Plot no. 31, Institutional Area, Sector - 44, Gurgaon - 122 002 (Haryana) E-mail id.: <a href="mailto:complianceofficer@rjcorp.in">complianceofficer@rjcorp.in</a> Ph. No. 0124- 4643100 - 500