

POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT/ INFORMATION

PREAMBLE

The Board of Directors, hereinafter referred to as "the Board" of Neil Industries Limited has adopted Policy for determination of Materiality, hereinafter referred to as "this Policy". This policy provides guidance to the Board, management and staff on the assessment of materiality in financial matters.

PURPOSE OF THE POLICY

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

CONCEPT OF MATERIALITY

Information is material if its misstatement, i.e. omission or erroneous statement, could influence the economic decisions taken by the user, based on such financial statements. Accordingly, financial statements should disclose all material items, i.e., knowledge of which might influence the decision of the user of financial statements.

CRITERIA FOR DETERMINATION OF MATERIALITY

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

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) 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;
- (c) In case where the criteria specified in (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 listed entity, the event/information is considered material.

DISCLOSURES OF EVENTS AND INFORMATION

Every listed entity have to make disclosures of any events or information which in the opinion of the board of directors of the listed entity is material.

The Listing Regulations have divided the events that need to be disclosed broadly in two categories:

CATEGORY 1

Events have to be necessarily disclosed without applying any test of materiality. These events are indicated in Para A of Part A of Schedule III of the Listing Regulation.

CATEGORY 2

Events should be disclosed, if considered material. These events are indicated in Para B of Part A of Schedule III of the Listing Regulation.

Apart from this the entity has the responsibility to make disclosures that are appropriate and would be consistent with the facts of each event. If in any case the entity does not disclose any such details, it shall state appropriate reasoning for the same as part of the disclosure.

AUTHORITY FOR DETERMINING MATERIALITY OF THE EVENT:

Mr. Arvind Kumar Mittal, Managing Director and Mr. Chandra Kant Dwivedi, Chief Financial Officer of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

CONTACT DETAILS: Mr. Arvind Kumar Mittal

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COMMUNICATION OF THIS POLICY

For all existing Employees and Directors, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the web-site of the Company.

AMENDMENT

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Date: 13/01/2016

Place: Kanpur