

Policy on Materiality for Disclosures

A. Background

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a policy for determination of materiality, based on the criteria specified in the Listing Regulations, is required to be framed by the Company, and duly approved by the Board of Directors of the Company, and published on the Company's website.

This Policy on materiality for disclosures is accordingly adopted pursuant to the foregoing Listing Regulations with effect from December 1, 2015.

B. Applicability

This Policy is intended to ensure that all disclosures of material information are made in accordance with the Listing Regulations. This Policy shall be read together with Fair Disclosure Policy framed and adopted by the Company pursuant to the SEBI (Prevention of Insider Trading) Regulations, 2015.

All terms defined in the Listing Regulations used in this Policy shall have the meaning given in the Listing Regulations. This Policy shall be interpreted and applied in accordance with the provisions of the Listing Regulations as amended from time to time.

C. Authority for Determining Materiality

In terms of the Regulation 30(5) of the Listing Regulations, any two Key Managerial Personnel (KMP) shall be and are hereby authorised to make determinations of materiality for purposes of disclosure pursuant to and as required by the Listing Regulations.

While making such determination such KMPs shall be guided by an internal team of the CFO, CEO, General Counsel, Company Secretary and Business and functional Heads of each unit for appropriate inputs, if any.

In the event the disclosure is determined to be material under the Listing Regulations as amended from time to time (including pursuant to Schedule III thereof) or is material as per the thresholds specified in the Internal Guidelines that are issued by the Board pursuant to this Policy ("Internal Guidelines"), such matters shall be deemed material and required to be disclosed in accordance with the Listing Regulations and no separate determination of materiality shall be required by the KMP.

However, the KMPs shall determine whether a matter is material for purposes of disclosure under the Listing Regulations, if:

- a. such an event is not covered by Schedule III of the Listing Regulations; and
- b. does not cross the threshold as per the Internal Guidelines, or is not covered by the Internal Guidelines.

In making such determination, the KMPs shall be guided by the other provisions of this Policy and the provisions and requirements of the Listing Regulations.

Any clarifications regarding disclosures shall be addressed to the following email id: disclosures@unitedspirits.in

D. Determining Materiality

The Company shall follow the criteria for determining the materiality of events or information in accordance with the provisions of the Listing Regulations. Accordingly, the following aspects should be considered when making such determinations.

- 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; or
- c. In case where the criteria specified in sub-clauses (a) and (b) above are not applicable, an event/information may be treated as being material if, the event / information is considered material in accordance with this Policy, in the opinion of the board of directors of the Company or the KMPs referred to in para C above.

For events not specified to be material under the Listing Regulations, the thresholds for determining whether such event is material shall be as per the Internal Guidelines approved by the Board pursuant to this Policy. In addition, as required by the Listing Regulations, the following principles shall be followed.

1. The disclosures referred to in this Policy shall be followed by further disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
2. The Company shall disclose on its website all such events or information 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 as per the archival policy of the Company disclosed on the Company's website.

3. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
4. The Company shall provide replies to all queries raised by stock exchange(s) with respect to any events or information in accordance with the Listing Regulations.
5. The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s) in accordance with this Policy, the Listing Regulations and other applicable laws.

E. Time Period for Disclosure

- F. Events identified in Part A of Schedule III to the Regulations shall be disclosed to the Stock exchanges within the corresponding time period specified in the Listing Regulations.
- G. Disclosures of other events determined to be material in accordance with this Policy shall be made as soon as reasonably possible and not later than twenty four hours from the occurrence of the event or information. Any delay beyond twenty four hours shall be made along with explanations for the delay.
- H. Timings as to when the event or information has occurred shall be as follows. The events in various stages of negotiation, discussions etc shall be handled in the following manner.
 1. The timing of the event would depend upon the time of conclusion of discussion, negotiation or time of approval of the relevant event. In other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the timing when the Company became aware of the event/information.
 2. In the case of approval, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. In case of negotiation or discussions, unless otherwise mandated by law, the events will be treated as having occurred only upon execution of definitive binding agreements pursuant to the conclusion of such negotiations or discussions.

3. However, for certain price-sensitive events, e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
4. It is clarified that if any approvals are subject to definitive agreements to be entered into with parties, then such events shall be said to have occurred only if the Board of Director's approval as well as the signing of the definitive agreements have been concluded and not earlier.
5. In the case of instances where there are no discussion, negotiation or approval, the events/information can be said to have occurred when a Company becomes definitively aware of the events/information, or as soon as, a KMP comes into possession of the information in the course of the performance of his duties.

I. Exceptions to Disclosures

Disclosure need not be made under any one or more of the following circumstances

1. It would be a breach of a law to disclose the information;
2. The information is regarding a proposal or negotiation that is in progress;
3. The information comprises matters that are assumed or insufficient to warrant disclosure;
4. The information is generated for the use of internal management of the entity;
or
5. The information is a trade secret; or
6. A reasonable person would not expect the information to be disclosed.

The Company shall not comment on speculation or rumour.

J. Archival Policy

Pursuant to Sub Regulation 8 to Regulation 30 of the Regulations, the Company is required to have an Archival Policy for retaining disclosures on the Company's website.

In this regard, the Company's archival policy is to provide for retaining disclosures made under this Policy and disclosed on the Company's website for a minimum period of five years. The authority referred to in Para C above for determining materiality shall have the discretion to decide on retention periods for such disclosures in the website beyond a period of five years.

