

POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION (POLICY) FOR DISCLOSURE TO THE STOCK EXCHANGE IS FRAMED IN ACCORDANCE WITH THE REQUIREMENTS OF REGULATION 30 OF SECURITIES EXCHANGE BOARD OF INDIA (LODR) REGULATIONS, 2015.

I. Purpose

MANGAL STEEL ENTERPRISES LIMITED ("company") is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner. Regulations mandate listed entities to formulate a policy for determining materiality of events or information that warrant disclosure to investor

II. Objective

The Objective of the policy is to determine materiality of events or information of the company and to ensure that such information is adequately disseminated in pursuance with the requirements of the regulations and to provide an overall governance framework for such determination of materiality.

III. Applicability

This Policy shall be applicable to all the events in the company, as and when they fall under the criteria enumerated in the Policy.

IV. Disclosure of events or information

The Company shall make disclosure of any events or information to the stock exchanges on a timely basis as follows:

- a. Events or information as stated in Annexure-1.
- b. Events or information as stated in Annexure-2 shall be disclosed based on the application of materiality as referred in Clause VI.
- c. Any other events or information 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.
- d. Events or information with respect to subsidiaries/Joint Venture/Associates which are material for Company. Events or information which may have a material effect on the Company and/or as specified by the Board of Directors and recommended by Audit Committee of the Company from time to time and/or such other events or information prescribed by the SEBI or any other authority for disclosure from time to time



V. Criteria for determination of materiality of events or information & procedure for disclosure thereof

The Company shall consider the following criteria for determination of materiality of an event or information:

- a. The event or information is in any manner unpublished price sensitive information;
- b. The omission of disclosure of such event or information shall lead to discontinuity or alteration of event or information already available publicly;
- c. The omission of disclosure of such event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- d. An event or information shall be considered to have a material effect on the Company in case such event or information may have an impact of over 10% of total turnover (standalone or consolidated as the case may be) or 25% of profit before tax, whichever is lesser, on the Company; and
- e. Any other event or information which is treated as being material in the opinion of the Board of Directors of the Company

VI Authority to certain Key Managerial Personnel

In terms of the Listing Regulations, the Board has authorized the following key managerial personnel of the Company (in terms of the Companies Act, 2013), *i.e.* the Managing Director & Chief Executive Officer, the Chief Financial Officer and the Company Secretary as the “**Authorized Persons**” for the purposes of determining materiality of an event or information as per the guidelines contained under this Policy and the Listing Regulations, and for the purposes of disclosing such event / information to the relevant stock exchanges.

VII. Time limit for disclosure of material event/information

The Company shall make disclosure to Stock Exchange(s) of all events specified in Clause VI of this policy, as soon as reasonably possible but not later than twenty four hours from the occurrence of event or information and/or on becoming aware of it.

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay. Provided further that disclosure with respect to events specified in Point (d) of Annexure-1 of this policy, shall be made within thirty minutes of the conclusion of the board meeting.

VIII. Amendment

The Board of Directors on its own and /or as per the recommendations of the Committee may 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 given in this Policy and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

IX. Website

As per the provisions of the Regulations, the Policy shall be disclosed on the website of the Company.

ANNEXURE - 1

Events which shall be disclosed without any application of the guidelines for materiality:

- A. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.
- B. b. 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..
- C. Revision in Rating(s).
- D. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- i) 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;
- ii) Any cancellation of dividend with reasons thereof;
- iii) The decision on buyback of securities
- iv) The decision with respect to fund raising proposed to be undertaken;
- v) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- vi) 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;
- vii) Short particulars of any other alterations of capital, including calls;
- viii) Financial results;
- ix) Decision on voluntary delisting by the Company from stock exchange(s).

- E. Agreements (viz. Shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), 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.
- F. Fraud/defaults by promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or promoter.
- G. Change in Directors, Key Managerial Personnel, Auditor and Compliance Officer.
- H. Appointment or discontinuation of share transfer agent.
- I. Corporate debt restructuring.
- J. One time settlement with a bank.
- K. Reference to BIFR and winding-up petition filed by any party / creditors.
- L. 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.
- M. Proceedings of Annual and Extra-ordinary General Meetings of the Company.
- N. Amendments to memorandum and articles of association of the Company, in brief.
- O. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.



ANNEXURE – 2

Events which shall be disclosed upon application of the guidelines for materiality:

- A. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- B. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
- C. Capacity addition or product launch.;
- D. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- E. 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.
- F. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts, etc.
- G. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- H. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- I. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of the Company.
- J. Options to purchase securities including any ESOP/ESPS Scheme.
- K. Giving of guarantees or indemnity or becoming a surety for any third party.
- L. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory
