

**Policy**  
*On*  
**Determination of Materiality of Events**  
*Of*  
**Monnet Ispat & Energy Limited**

<b>Title</b>	<b>Policy for Determination of Materiality of Events</b>
<b>Version Number</b>	<b>1.1</b>
<b>Effective Date</b>	<b>31.12.2015.</b>
<b>Authorised by</b>	<b>Board of Directors</b>
<b>Number of Revisions</b>	<b>2</b>
<b>Last Revised Date</b>	<b>21.01.2019 &amp; 27.03.2019</b>

## 1. LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Monnet Ispat & Energy Limited (“the company”) to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation on 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations), with respect to disclosure of events and information. This Policy will be applicable to the Company effective 01st December, 2015.

SEBI has amended Listing Regulations which are effective from April 01, 2019. In order to reflect the amendment(s) notified by SEBI, this Policy is being amended to bring in line with the amended Regulations.

## 2. DEFINITIONS

1. **“Act”** means the Companies Act, 2013 (and the Rules made thereunder) and the Companies Act, 1956 to the extent applicable.
2. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company.
3. **“Company”** means Monnet Ispat & Energy Limited.
4. **“Key Managerial Personnel”** mean key managerial personnel as defined in sub section (51) of section 2 of the Companies Act, 2013
5. **“Listing Regulations”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
6. **“Material Event”** or **“Material Information”** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.
7. **“Policy”** means the policy for determination of materiality, as amended from time to time.
8. **“SEBI”** means the Securities and Exchange Board of India.
9. **“Rules”** means the rules made under the Companies Act, 2013.
10. **“Stock Exchange(s)”** means Stock Exchange(s) where the securities of the Company are

listed or proposed to be listed.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

### **3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION:**

Pursuant to the provisions of regulation 30 of Listing Regulations the Board shall consider following criteria for determining whether the event is material or not:

- a) Any event or information, the omission of which may likely to result in discontinuity or alteration of event or information already available publicly; or
- b) any event or information, the omission of which may likely to result in significant market reaction if the said omission came to light at a later date;
- c) The event or information is in any manner unpublished price sensitive information; and
- d) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material; besides, an event/information, shall be deemed as Material event/ Information if it is likely to have an impact of 5% or more on the gross turnover or revenues or total income or 10% of the net worth, whichever is lower, as per the last consolidated accounts of the Company. However, frivolous Demand Notices, Show Cause Notices etc. received by the Company shall not be deemed to be a Material event/ Information requiring disclosure.

Significant market reaction for the purpose of clause b) above shall mean, it is expected that if the event / information subsequently comes in the public domain, it will impact the market price of the Company's shares to the extent of 10% or more, wholly attributable to such event / information.

### **4. GUIDELINES FOR DISCLOSURE OF EVENTS / INFORMATION**

- a) Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:
  - i. inform the stock exchanges in which the securities of the Company are listed;
  - ii. upload on the website of the Company.Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.
- b) Events/ Information specified in Point 4 of Part A of Annexure A i.e. Outcome of Meeting of Board of Directors shall be made within 30 minutes of the conclusion of the Board Meeting

- c) Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A (reproduced in Annexure A2 of this Policy) of Schedule III shall be made within thirty minutes of the conclusion of the Board Meeting.
- d) The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining materiality as per clause 3 of the Policy.
- e) The Company shall, with respect to events/Information specified in Annexure A & B, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- f) The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per policy of the Company, as disclosed on its website.
- g) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

#### **5. AUTHORIZATION TO DETERMINE MATERIALITY AND GIVE DISCLOSURE TO STOCK EXCHANGE:**

The Board of Directors have severally authorized the Whole-time Director or Managing Director and Company Secretary of the company for the purpose of determining materiality of events or information and for the purpose of making disclosures to stock exchange(s) under this Policy. Details of such personnel shall also be disclosed to the stock exchange(s) and on the website of the Company.

#### **6. AMENDMENT**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

#### **7. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

#### **8. DISCLOSURES**

The material subsidiaries policy shall be disclosed on the Company's website & a web link thereto shall be provided in its Annual Report.

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## Annexure A

### **Events which shall be disclosed without any application of the guidelines for Materiality:**

1. 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.  
Explanation - For the purpose of this sub-para, the word 'acquisition' shall mean,-
  - i. Acquiring control, whether directly or indirectly; or,
  - ii. Acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
    - a) The Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
    - b) There has been a change in holding from the last disclosure made under sub- clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
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. 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 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.
5. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
7. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
8. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
  - a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (a) above.
9. Appointment or discontinuation of share transfer agent.
10. Corporate debt restructuring.
11. One-time settlement with a bank.

12. Reference to BIFR and winding-up petition filed by any party/creditors.
13. 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.
14. Proceedings of Annual and extraordinary general meetings of the Company.
15. Amendments to memorandum and articles of association of Company, in brief
16. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
17. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
  - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - f) Appointment/ Replacement of the Resolution Professional;
  - g) Prior or post-facto intimation of the meetings of Committee of Creditors;
  - h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A (5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - i) Number of resolution plans received by Resolution Professional;
  - j) Filing of resolution plan with the Tribunal;
  - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
  - l) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
  - m) Any other material information not involving commercial secrets.

**Events which shall be disclosed within 30 minutes of the closure of the meeting of the board of directors:**

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:

- a) 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;
- b) Any cancellation of dividend with reasons thereof;
- c) The decision on buyback of securities;
- d) The decision with respect to fund raising proposed to be undertaken
- e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) 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;
- g) Short particulars of any other alterations of capital, including calls;
- h) Financial results;
- i) Decision on voluntary delisting by the Company from stock exchange(s).

## **Annexure B**

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

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. 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);
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) (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;
6. 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.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
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. Any other information/event 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.

Without prejudice to the generality of Annexure A & B above, the company may make disclosures of event/information as specified by the Board from time to time.