

Shyam Century Ferrous Limited

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

Introduction

In terms of requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's web site.

Policy

Based on the requirements of above provisions, a policy on determination of materiality for disclosures to events or information is being made as under:

1. The Company shall consider the following criteria for determination of materiality of event or 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 sub-clauses (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 the Company, the event/information is considered material.
2. The Chief Executive Officer, Chief Financial Officer and Company Secretary, are jointly authorized person for the purpose of determining materiality of an event or information.
3. The Chief Executive Officer, Chief Financial Officer and Company Secretary are jointly or severally authorized for making disclosures of such material event or information to the Stock Exchanges.
4. The Chief Executive Officer is authorized to make appropriate changes to the above policy as deem expedient taking into account the situation in force.
5. Events/information stated in Part A of Schedule III of the Listing Regulations, 2015 are per se considered 'material' and have to be necessarily disclosed without applying any test of materiality.
6. Events/information as mentioned in Para B, C & D of Schedule III of the Listing Regulations, 2015 would be deemed as 'material' if it is likely to have an impact of 10% or more on the gross turnover as per the last consolidated accounts of the Company.

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7. In some cases, to ascertain materiality, aforesaid thresholds cannot be applied, the KMP are authorized to frame their opinion on case to case basis based on case to case basis and while so doing, inter alia consider the following factors :

- (i) Whether non-disclosure can lead to creation of false market in the securities of the Company.
- (ii) Whether there would be a significant impact on the operations or performance of the Company.

Provided that any confidential information which, if disclosed is likely to put at risk the business interest of the Company, shall not be disclosed. The Company to that extent may make qualified disclosures.

8. In the following circumstances an event/information is deemed to be occurred

- (i) Events/information shall be said to have occurred upon receipt of approval of Board of Directors and/or of the shareholders as may be required.
- (ii) Events/information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board of Directors, pending shareholder's approval.
- (iii) In the Events/information such as natural calamities, disruption etc., can be said to have occurred when the Company becomes aware of the events/information, or soon as, an officer of the entity has or ought to have reasonably come into possession of the information in the course of the performance of his duties.

9. Qualitative criterion governing the disclosure of material events/information :

The Qualitative Criterion governing the disclosure of material events/information is where the omission in disclosure of such events/information may likely to result in:

- (i) Discontinuity or alteration of event or information is already with the public or
- (ii) Chances of significant market reaction if omission become public in later date.

10. Qualitative criterion governing the disclosure of material events/information :

- (i) Omission of event or information whose value or expected impact exceeds any of the following criterion :
 - (a) 2% of turnover as per last audited consolidated financial statements
 - (b) 2% of net worth as per last audited consolidated financial statements except in case the arithmetic value of net worth is negative.

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- (c) 5% of the average absolute value of profit or loss after tax as per last three years audited consolidated financial statements of the Company.

In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

11. In the following instances event/information can be said to have occurred for making disclosures

- (i) Upon receipt of approval of the Board of Directors
- (ii) When the Company becomes aware of the events/information, or as soon as officer has ought to have reasonably come into possession of the information in the course of performance of duties.

12. The Company shall disclose to the stock exchange(s) all such events or information which are material in terms of the provisions of the Listing Regulations as soon as reasonably possible and in any case not later than the following:

- (i) 30 minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;
- (ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) 24 hours from the occurrence of the event or information in case the event or information is not emanating from within the Company.

In case the disclosure is made after the aforesaid timelines, the Company shall along with such disclosures provide explanation for such delay.

However, events or information specified in Part A of Schedule III of the Listing Regulations, shall be disclosed within such time limit as may be prescribed under the Listing Regulations from time to time.

13. In case an event or information is required to be disclosed by the Company in terms of the provisions of the Listing Regulations, pursuant to the receipt of a communication from any Regulatory, Statutory, Enforcement or Judicial Authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such Authority.

14. The Policy is subject to review from time to time.

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15. Authority to Key Managerial Personnel (KMP) :

Mr. Aditya Vimalkumar Agrawal, MD, Mr. Uday Bahadur Chetri, CFO and Mrs. Ritu Agarwal, Company Secretary shall jointly or severally have authority to determine materiality of any event and disclose the same to the Stock Exchanges.

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Indicative list of events to be disclosed under clause 30 of the Listing Regulations, 2015. This is an inclusive list and shall act only as a guidance document.

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) sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in the associated company of the Company or any other restructuring;
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

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including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3. New Rating(s) or Revision in rating(s);
4. Outcome of meetings of Board held to consider the following within 30 minutes of the closure of meeting:
 - (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 Stock Exchange(s);
5. 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;

5A. Agreements entered into by the shareholders, promoters, promoters group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the company or with the third party, solely or jointly, which either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements;

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are not required to be disclosed in terms of any other provisions of these regulations.

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6. Fraud/defaults by the Company, its Promoter Director, Key Managerial Personnel, senior management or subsidiary or arrest of KMP, senior management, promoter or director whether occurred within India or abroad;
7. Change in Directors, KMP (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.) senior management, Auditors and Compliance Officer;
 - 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.
 - 7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company.
 - 7C. In case of resignation of Key Managerial Personnel, Senior Management, Compliance Officer or Director other than an Independent Director; the letter of resignation along with detailed reasons for the resignation as given by the Key Managerial Personnel, Senior Management, Compliance Officer or Director shall be disclosed to the stock exchanges by the Company within seven days from the date that such resignation comes into effect.
 - 7D. In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of Share Transfer Agent;
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - a. Decision to initiate resolution of loans/borrowings;
 - b. Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c. Finalization of Resolution Plan;
 - d. Implementation of Resolution Plan;
 - e. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.;
10. One time settlement with the Bank;
11. Winding up petition filed by any party/creditors;

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12. 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;
13. Proceedings of Annual and Extra Ordinary General Meetings of the Company;
14. Amendments to Memorandum and Articles of Association of the Company, in brief;
15. Schedule of Analyst or Institutional Investor meet and presentations on financial results made by the Company to Analysts or Institutional Investors.
16. Events in relation to the corporate insolvency resolution process (CIRP) of the Company debtor under the Insolvency Code.
17. Initiation of Forensic audit.
18. Announcement or communication through social media intermediaries or mainstream media by Directors, Promoters, Key Managerial Personnel or Senior Management of the Company, in relation to any event or information which is material for the Company in terms of Regulation 30 of the Listing Regulations and is not already made available in the public domain by the Company.
19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or subsidiary, in relation to the Company in the matter of search or seizure, re-opening of accounts under section 130 of the Companies Act, 2013 or investigation under the provisions of chapter XIV of the Companies Act, 2013.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or subsidiary, in relation to the Company in the matter of suspension, imposition of fine or penalty, settlement of proceedings, debarment, disqualification, closure of operations, sanctions imposed, warning or caution and any other similar action(s) by whatever name called;
21. Voluntary revision of financial statements or the report of the board of directors of the Company under Section 131 of the Companies Act, 2013

Indicative list of events to be disclosed under Clause 30 of the Listing Regulations, 2015. This is an inclusive list and shall act only as a guidance document.

B. List of 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;

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2. Arrangements for strategic, technical, manufacturing or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division or subsidiary (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) and 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company;
9. Fraud/defaults etc., by Directors of the Company which has or may have an impact on the Company ;
10. Options to purchase securities including any share based employee benefit (SBEB Scheme);
11. Giving of guarantees or indemnity or becoming a surety by whatever name called for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or Regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority;