POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

McNally Bharat Engineering Company Limited

1. LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of McNally Bharat Engineering Company Limited, 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 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

This Policy will be applicable to the Company effective December 1, 2015.

This Policy has been reviewed and updated to give effect to the subsequent amendments made to Regulation 30 and Schedule III of the Listing Regulations, including the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (effective July 14, 2023), the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 relating to verification of market rumours, and the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated December 12, 2024, together with the circulars issued thereunder, and shall stand modified to reflect any further amendment, clarification, circular or re-enactment issued by SEBI from time to time.

2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

3. INTRODUCTION

(a) "Act" means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.

(b) “Board of Directors” means the Board of Directors of the Company. (c) “Company” means McNally Bharat Engineering Company Limited.

(d) “Key Managerial Personnel” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

(e) “Listing Regulations” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

(f) “Policy” means this policy, as amended from time to time. (g) “SEBI” means the Securities and Exchange Board of India.

(h) “Rules” means the rules made under the Companies Act, 2013.

(i) “Stock Exchange(s)” means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

This includes, without limitation, actions initiated, orders passed, show-cause or similar notices issued, or search/seizure/survey conducted by any regulatory, statutory, enforcement or judicial authority against the Company or its Key Managerial Personnel or Director, in respect of matters relating to the Company (Para A, clauses 19 and 20 of Schedule III, inserted with effect from July 14, 2023), and the acquisition of shares or voting rights aggregating to five per cent or more, and any subsequent change in holding exceeding two per cent, in an unlisted company by the Company or its subsidiary(ies) (disclosable on a quarterly basis, inserted with effect from December 12, 2024).

5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

In terms of Regulation 30(4) of the Listing Regulations, the Company shall consider the following criteria for determination of materiality of an event or information pertaining to Para B of Part A of Schedule III:

(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 the criteria specified in sub-clauses (a) and (b) above are not applicable, the value of the event/information, or the expected impact thereof in terms of value, exceeds the lower of the following, computed with reference to the last audited consolidated financial statements of the Company:

(i) two per cent of the consolidated turnover;

(ii) two per cent of the consolidated net worth, except where the net worth is negative; or

(iii) five per cent of the average of the absolute value of the consolidated profit or loss after tax, for the last three audited financial years; and

Qualitative criteria would mean an event/ information:

(d) in case the criteria specified in sub-clauses (a), (b) and (c) above are not applicable, an event or information may nevertheless be treated as material if, in the opinion of the Board of Directors of the Company, the event or information is considered material.

6. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

The Company shall disclose major developments that are 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.

7. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

(a) depends upon the stage of discussion, negotiation or approval; and

(b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 7(a), 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. However, considering the price sensitivity involved, for certain 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.

In respect of the events under 7(b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as 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. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

8. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)"):

a. Managing Director

b. Chief Financial Officer

c. Company Secretary and Compliance Officer

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

9. DISCLOSURE

a) The disclosures in respect of events and information specified in sub-para 4 of Para A of Part A of Schedule III of Listing Regulations shall be made within 30 minutes of the conclusion of the Board meeting in which the respective event or information is approved.

Provided that where the Board meeting concludes after the normal trading hours of the Stock Exchange(s) but more than three hours before the commencement of normal trading hours on the next trading day, the disclosure shall be made within three hours of closure of the meeting; and where the Board meeting is held over more than one day, the disclosure in respect of matters decided on a particular day shall be made within the aforesaid timelines with reference to closure of the meeting for that day.

b) All other events and information falling under Part A of Schedule III of the Listing Regulations, apart from those specified in (a) above, shall be disclosed to the Stock Exchange(s) as soon as reasonably possible, and in any case not later than: (i) twelve hours from the occurrence of the event or information, where such event or information emanates from a decision taken or development occurring within the Company; and (ii) twenty-four hours from the occurrence of the event or information, in all other cases, including where the event or information emanates from a decision or development that is largely outside the direct knowledge or control of the Company. Where disclosure is made after the applicable timeline, the Company shall provide an explanation for the delay along with the disclosure.

c) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

d) Disclosure of claims made against the Company in any litigation or dispute (other than tax litigation or dispute) shall be made within twenty-four hours of the Company becoming aware of such claim; provided that where the relevant particulars of such claims are maintained in the Company’s Structured Digital Database in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, disclosure may instead be made within seventy-two hours of receipt of the relevant notice.

e) Imposition of any fine or penalty on the Company shall be disclosed within twenty-four hours of receipt of the order, where the fine or penalty is rupees one lakh or more if imposed by a sectoral regulator or enforcement agency, or rupees ten lakh or more if imposed by any other authority or judicial body; fines or penalties below these thresholds shall be disclosed to the Stock Exchange(s) on a quarterly basis, in the format specified by SEBI.

f) If the Company is identified by SEBI/the Stock Exchange(s) as a “specified” listed entity for the purpose of Regulation 30(11) of the Listing Regulations (market rumour verification), the Authorized Persons shall confirm, deny or clarify, as applicable, any reported material event or information forming the subject matter of a market rumour, within the timelines prescribed under the said Regulation and the applicable Industry Standards.

10. AMENDMENTS

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.

11. 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.

12. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company, with a web-link thereto provided in the Company’s Annual Report, and updated promptly upon any amendment.

13. REVIEW OF POLICY

This Policy shall continue to be reviewed periodically, and updated as and when SEBI issues further amendments, clarifications or circulars under the Listing Regulations.