

MAGNA ELECTRO CASTINGS LIMITED
43, BALASUNDARAM ROAD, COIMBATORE 641018

**POLICY FOR DETERMINING MATERIALITY OF EVENTS / INFORMATION FOR
DISCLOSURE TO STOCK EXCHANGES**

PREFACE

This Policy for determination of materiality of events and information for disclosure to the Stock Exchanges (hereinafter referred to as 'this / the Policy') is framed in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the Regulations').

This Policy will be applicable to the Company with effect from 1st December, 2015 in terms of Regulation 30 of Chapter IV of the Regulations.

OBJECTIVE

The Policy is framed for the purpose of systematic identification, categorization, review and disclosure of information or events which are considered material and which may have a bearing on the performance of the Company and materially affect the share prices of the Company.

DEFINITIONS

All the words and expressions used in this Policy shall have the meaning respectively assigned to them under the provisions of the Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Circulars, Notifications made / issued thereunder, as amended from time to time.

DISCLOSURES TO STOCK EXCHANGES

- A. The following will be disclosed to the Stock Exchanges any time after the decision is taken or approval is granted but not later than 30 minutes of the conclusion of the meeting of the Board of Directors of the Company (hereinafter referred to as the 'Board'):

- 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 listed entity from stock exchange(s).
- B. The following events / information will be disclosed to the Stock Exchanges as soon as possible but not later than 24 hours of the occurrence of the event / information:
- i. 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 listed entity or any other restructuring;
 - ii. 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.;
 - iii. Revision in Rating(s);

- iv. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), 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;
 - v. Fraud / defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter;
 - vi. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer;
 - vii. Appointment or discontinuation of share transfer agent;
 - viii. Corporate debt restructuring;
 - ix. One time settlement with a bank;
 - x. Reference to BIFR and winding-up petition filed by any party / creditors;
 - xi. 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 listed entity;
 - xii. Proceedings of Annual and Extraordinary General Meetings of the listed entity;
 - xiii. Amendments to Memorandum and Articles of Association of listed entity, in brief;
 - xiv. Schedule of Analyst or Institutional Investor Meet and presentations on financial results made by the listed entity to Analysts or Institutional Investors.
- C. The following events / information will be disclosed to the Stock Exchanges as soon as possible but not later than 24 hours of the occurrence of the event / information, if the impact of such event / information on the Company exceeds 10% of its gross turnover or 10% of its net worth, whichever is higher, such turnover / net worth to be based on the latest audited annual financial statements of the Company:
- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit / division;

- ii. 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);
- iii. Capacity addition or product launch;
- iv. Awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business;
- v. 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;
- vi. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact;
- ix. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or Employees of listed entity;
- x. Options to purchase securities including any ESOP/ESPS Scheme;
- xi. Giving of guarantees or indemnity or becoming a surety for any third party;
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
- xiii. Emergence of new technologies;
- xiv. Expiry of patents;
- xv. Any change of accounting policy that may have a significant impact on the accounts

The above list is not exhaustive and the Company may include from time to time, any other event / information i.e. major development that is likely to affect the business and define its materiality for the purposes of ensuring disclosure. The Company shall consider the following **criteria for determination of materiality** of events / information:

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
 - ii. 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;
 - iii. Any event or information that the Board of Directors of the Company considers as material.
- D. The Company will also disclose to the Stock Exchanges, with respect to Subsidiaries, events / information which are material for the Company.
- E. Where the Company makes disclosures to the Stock Exchanges under Clause A, B, C and D above, the Company will also make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.

AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

The Key Managerial Personnel comprising of the Managing Director, Chief Financial Officer, and the Company Secretary are jointly and severally authorized to determine whether the event / information is material or not and in turn about time line for its disclosure, based on the category of information as specified above, to the Stock Exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the information being made public.

The contact details of Key Managerial Personnel, who are authorized for this purpose, shall be disclosed to the Stock Exchanges and shall be put up on the website of the Company.

DISCLOSURE ON WEBSITE OF THE COMPANY

The Company shall post on its website all disclosures made under the regulations to the Stock Exchanges and shall continue to host the same for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

AUTHORITY TO ACCEPT / DENY REPORTED EVENTS / INFORMATION TO STOCK EXCHANGES

The Key Managerial Personnel comprising of the Managing Director, Chief Financial Officer, and the Company Secretary are hereby jointly and severally authorized to provide specific and adequate reply to all queries raised by the Stock Exchanges with respect to any event / information and to accept / deny any report, incident or information, which has been publicized without any authority. Any action taken by the Key Managerial Personnel to respond to such unauthorized information for protecting the interests of the Company should be brought to the notice of the Board at the ensuing Board Meeting.

POLICY REVIEW AND APPROVAL

The Policy shall be subject to review as may be deemed necessary to comply with any regulatory amendments or statutory modifications or subject to necessary approval of the Board of Directors. The Policy was approved by the Board of Directors at their meeting held on 25/01/2016.

By order of the Board

Date: 25/01/2016
Place: Coimbatore

CHIEF FINANCIAL OFFICER