

**POLICY ON
DETERMINATION OF
MATERIALITY OF
EVENTS/ INFORMATION
FOR MAKING
DISCLOSURES BY THE
COMPANY**

SRU Steels Limited – Policy on Materiality

1. PREFACE

The Board of Directors of SRU Steels Limited has approved the policy for the determination of materiality of events and information at its meeting held on February 14, 2020. This Policy is framed in accordance with the requirements of the Regulation 30 (4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. DEFINITIONS

- a) “**Act**” means the Companies Act, 2013 (and the Rules).
- b) “**Board of Directors**” means the Board of Directors of the Company
- c) “**Company**” means SRU Steels Limited.
- d) “**Key Managerial Personnel**” “KMP(s)” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- e) “**SEBI Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) “**Policy**” means policy for the determination of materiality of events and information, 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, where the equity shares of the Company are listed.

3. OBJECTIVE

Objective of this Policy is (i) to determine materiality of events and/or information relating to the Company; (ii) to ensure that such information and/or event is adequately and timely disseminated, in pursuance of the Regulations, to the Stock Exchanges; and (iii) to provide an overall governance framework for such determination of materiality.

The Policy shall be read together with the Code of Internal Procedures and Conduct for Prevention of Insider Trading in the Securities of the Company and the Policy for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).

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 SEBI Regulations (as applicable from time to time) which are covered in Annexure – 1 to this policy without any application of the guidelines for determination of materiality as specified in sub-regulation (2) of Regulation 30 of the SEBI Regulations.

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 SEBI Regulations and covered in Annexure – 1 to the Policy subject to application of guidelines for determination of materiality.

6. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The Company shall consider the following criteria for determining the materiality of the events:

- 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 Company, the event / information is considered material.

If the key managerial personnel are not certain about deciding on the materiality of any event / information, they may refer matter for external legal advice for appropriate guidance thereafter.

7. FLOW OF INFORMATION AND DISCLOSURE

Where the Key Managerial Personnel becomes aware of any information as specified in Annexure 1, including those which can be regarded 'Deemed Material'; the same shall be promptly informed to the Chief Compliance Officer & Company Secretary.

The Company Secretary shall ensure that relevant information in connection with all material events (including Deemed Material Events) and the information which is price sensitive is disseminated to the Stock Exchanges as mandated, or as promptly as practicable, as per the provisions of Regulation 30 of the SEBI Regulations.

The Company Secretary and the Chief Investor Relations Officer will decide on the content of the disclosure and the timing of disclosure. The timing of disclosure will be based on following guidance:

SRU Steels Limited – Policy on Materiality

- a) Events/ Information requiring discussion, negotiation or approval 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.
- b) In case certain events e.g. decision on recommendation /declaration of dividends etc., considering the price sensitivity involved, disclosure shall be made on receipt of approval of the event from the Board of Directors, pending shareholder's approval.
- c) Events/ Information not requiring discussion, negotiation or approval viz. as in case of natural calamities, disruptions, force majeure events etc. will be said to have occurred when the Company becomes aware of such Events/ Information.

The Company Secretary and the Chief Investor Relations Officer shall be responsible for providing specific and adequate reply to all queries raised by stock exchange (s).

Events/ Information specified in Clause A of Annexure – 1 shall be disclosed as soon as reasonably possible and in any case not later than twenty-four hours from the occurrence of event or information.

Events/ Information specified in Clause B of Annexure - 1 shall be disclosed within 30 minutes of the conclusion of the board meeting held to consider the same.

Events/ Information specified in Clause C of Annexure – 1 shall be disclosed as soon as reasonably possible but not later than forty-eight hours from the occurrence of event or information.

Events/ Information specified in Clause D of Annexure – 1 shall be disclosed as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information, if the same is regarded material upon application of the guidelines for\ determining materiality.

The Company Secretary and the Chief Investor Relations Officer shall ensure updating of material developments in relation to the Events/ Information disclosed to the stock exchanges on a regular basis, till such time the Event/ Information is resolved/closed, with relevant explanations.

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

SRU Steels Limited – Policy on Materiality

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):

- a) Managing Director
- b) Chief Financial Officer
- c) Company Secretary

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 concerned KMP should exercise his own judgement while assessing the materiality of events associated with the Company. In case the concerned KMP perceives any doubt regarding materiality he/she may consult Chairman 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 hosted on Company's website.

9. DISCLOSURE ON WEBSITE

Every dissemination made under this Policy shall also be made available simultaneously on the website of the Company. It shall remain hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

This Policy is effective from February 14, 2020 and shall also be updated on the Website of the Company.

ANNEXURE – 1

A. Events which shall be disclosed without any application of the guidelines for materiality, within 24 hours from the occurrence of event or information:

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 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.

SRU Steels Limited – Policy on Materiality

8. Resignation of auditor 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:
 - i. Detailed reasons for the resignation of independent directors as given by the said director
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) 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.

SRU Steels Limited – Policy on Materiality

- 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.

18. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by Company:

- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

- 1. 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.
- 2. any cancellation of dividend with reasons thereof;
- 3. the decision on buyback of securities;
- 4. the decision with respect to fund raising proposed to be undertaken;
- 5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- 6. 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;
- 7. short particulars of any other alterations of capital, including calls;
- 8. financial results;
- 9. decision on voluntary delisting by the Company from stock exchange(s).

C. Events which shall be disclosed without any application of the guidelines for materiality, within 48 hours from the occurrence of the event or information:

- 1. In the event of any changes to the annual report, the revised copy along with the details of and explanation for the changes shall be sent not later than 48 hours after the annual general meeting.
- 2. details regarding the voting results in the format specified by the Board, within forty-eight hours of conclusion of its General Meeting.

D. Events which shall be disclosed upon application of the guidelines for materiality, within 24 hours from the occurrence of event or information.

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.
- E. 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.
- F. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.