



**THE SANDUR MANGANESE & IRON ORES LIMITED**

**POLICY FOR DETERMINATION OF  
MATERIALITY OF AN EVENT OR  
INFORMATION**

<b>Version No.</b>	<b>Approving Authority</b>	<b>Approval Date</b>
1	Board of Directors	1 December 2015
2	Board of Directors	18 May 2022

## **1. PREAMBLE**

This Policy has been framed and adopted by the Board of Directors of the Company in pursuance of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulation') read with SEBI circular no. CIR/CFD/CMD/4/2015 dated 9 September 2015. The said Regulation requires listed entities to disclose to the Stock Exchange(s) any events or information which, in the opinion of the board of directors of the listed company, is material.

This Policy shall be effective from the date of its approval.

## **2. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION**

An event or information relating to the Company shall be considered to be material, if such an event or information has a bearing on performance/operation of the Company and disclosure of such event or information is likely to impact the price of the securities of the Company.

Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the event or information. In order to determine whether a particular event or information is material in nature, 'quantitative' criteria will be applied.

In circumstances where 'quantitative' test may not be applicable or cannot be applied, the following test of materiality shall be applied in order to determine if an information or event is material:

- (a) omission of such an event or information, is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) omission of such 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) any event or information having significant risk to the reputation of the Company.

In addition to the above criteria, the Board of Directors of the Company may in their collective wisdom choose to treat an event/information as material.

## **3. EVENTS/INFORMATION REQUIRED TO BE DISCLOSED**

### **A. EVENTS, DEEMED MATERIAL AND REQUIRED TO BE DISCLOSED WITHOUT APPLICATION OF CRITERIA FOR DETERMINATION OF 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. Outcome of meetings of Board of Directors of the Company 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) re-issue of forfeited shares |securities or 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).
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.
6. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. 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.
9. 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:
  - i. The letter of resignation along with detailed reasons for the resignation of Independent Directors as given by the said Director shall be disclosed by the Company to the stock exchanges.
  - ii. Names of listed entities in which the resigning Director holds directorships, indicating the category of directorship and membership of board committees, if any.

- iii. The Independent Director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
  - iv. 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) and (iii) above.
10. Appointment or discontinuation of share transfer agent.
  11. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
    - i. Decision to initiate resolution of loans/borrowings;
    - ii. Signing of Inter-Creditors Agreement (ICA) by lenders;
    - iii. Finalization of Resolution Plan;
    - iv. Implementation of Resolution Plan;
    - v. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
  12. One-time settlement with a bank.
  13. Reference to BIFR and winding-up petition filed by any party /creditors.
  14. 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.
  15. Proceedings of Annual and Extraordinary General Meetings of the Company.
  16. Amendments to memorandum and articles of association of Company, in brief.
  17. (a) Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

    - (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
      - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
      - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.
  18. The following events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debt or 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) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
    - i. Pre and Post net-worth of the company;
    - ii. Details of assets of the company post CIRP;
    - iii. Details of securities continuing to be imposed on the companies' assets;
    - iv. Other material liabilities imposed on the company;
    - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - vi. Details of funds infused in the company, creditors paid-off;
    - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - viii. Impact on the investor – revised P/E, RONW ratios etc.;
    - ix. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
    - x. Brief description of business strategy.
  - (m) Any other material information not involving commercial secrets.
  - (n) Proposed steps to be taken by the incoming investor/ acquirer for achieving the MPS;
  - (o) Quarterly disclosure of the status of achieving the MPS;
  - (p) The details as to the delisting plans, if any approved in the resolution plan.
19. 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 the 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 REQUIRED TO BE DISCLOSED UPON APPLICATION OF CRITERIA FOR DETERMINATION OF MATERIALITY**

<b>Sl. No.</b>	<b>Event or Information</b>	<b>Threshold</b>
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Impact exceeding 10% of the turnover or net worth of the last audited financial statements
2	Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing	Impact exceeding 10% of the turnover or net worth of

	tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)	the last audited financial statements
3	Capacity addition or product launch	Capacity addition/ product launch which is expected to contribute to at least 10% or more of the turnover during the financial year to which it belongs
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business	Exceeding 100 crore
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	Exceeding 100 crore
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	Estimated impact of 5% or more of the production or the turnover of the Company in case of disruption of operations due to natural calamity.  In case of strike, lockout, etc. complete closure of operations for five working days.
7	Effect(s) arising out of change in the regulatory framework applicable to the Company	Impact exceeding 10% of the turnover or net worth of the last audited financial statements
8	Litigation(s) / dispute(s) / regulatory action(s) with impact	Exceeding 100 crore
9	Fraud/defaults etc. by Directors (other than key managerial personnel) or Employees of listed entity	Exceeding Rs. 1 crore or more (amount as prescribed under Section 143 (12) of the Companies Act, 2013 read with Rules made thereunder)
10	Options to purchase securities including any ESOP/ESPS Scheme	As decided by the Board during the announcement of the Scheme
11	Giving of guarantees or indemnity or becoming a surety for any third party	Exceeding 100 crore
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	Exceeding 100 crore

**C.** Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, 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.

**D.** 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.

**E.** The Company shall also disclose all events or information with respect to its subsidiaries which are material for the Company.

#### **4. MANNER OF DISCLOSURE**

- (a) The Company shall ensure proper and timely disclosure of material events/information as mentioned hereunder:
  - i. events enumerated in Clause 3(A)(4) above, shall be disclosed to the Stock exchanges(s) within 30 minutes of the conclusion of the Board meeting. In case of Board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.
  - ii. events mentioned in Clause 3(A) and (B) above, other than Clause 3(A)(4) shall be disclosed by the Company as soon as possible but not later than 24 hours from the occurrence of a particular event.
- (b) Unless otherwise decided by the Board of Director of the Company, Managing Director, Director (Mines), Chief Financial Officer and Company Secretary shall be authorised severally for the purpose of determining materiality of an event or information and making disclosures to stock exchange(s) under this Regulation.
- (c) The contact details of the personnel authorised to determine materiality under this regulation shall be disclosed to the Stock Exchange(s) and also be placed on the website of the Company.
- (d) All disclosures made to the Stock Exchange(s) under this Policy shall also be placed on the website of the Company for a minimum of 5 years and thereafter, be stored in the archives of the Company for another 3 years.

#### **5. AMENDMENTS**

The Board of Directors shall periodically review the Policy and may make suitable amendments from time to time. Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

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