

MANGAL CREDIT AND FINCORP LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

Name of Policy	Date of Approval	Next Review: As and When Required
Policy for Determination of Materiality of Events and Information	Effective date of implementation:	Version: V.2. 07.11.2023

1. BACKGROUND

In terms of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”), every company which has listed its specified securities is required to frame a policy for determination of materiality of events and information for the purpose of disclosure to the stock exchanges. The Board of Directors of the Company have adopted this “Policy for Determination of Materiality of Events and Information” (Policy), in order to define guidelines for determining materiality of events / information of the Company for the purpose of disclosure to the stock exchanges in terms of the Regulations.

2. DEFINITION

- a. “Board” means Board of Directors of Mangal Credit & Fincorp Limited as constituted from time to time;
- b. “the Company” means Mangal Credit & Fincorp Limited;
- c. “Key Managerial Personnel” means person as defined in section 2(51) of the Companies Act, 2013;
- d. “Material Event” or “Material Information” shall mean such event or information as set out in Schedule III of the Regulations or as may be determined in terms of this policy. In the policy, the words, “Material” and “Materiality” shall be construed accordingly.
- e. “Regulations” mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any subsequent modifications/ re-enactment made thereof;

3. OBJECTIVE

- a. The objective of this policy is timely and transparent dissemination of information to stakeholders by making relevant information available in public domain;
- b. To ensure that Corporate documents and public statements are accurate and do not contain any misrepresentations;
- c. To protect the confidentiality of Material/ Price Sensitive information within the context of the Company’s disclosure obligations;
- d. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company;
- e. To ensure the uniformity in the Company’s approach and reduce the risk of selective disclosure.

4. DISCLOSURE OF EVENTS & INFORMATION

The information covered by this policy shall include “Information pertaining to the Company’s business, operations or performance which has a significant impact on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

- a. Information deemed to be material i.e. events/ information that are to be disclosed without any application of guidelines for materiality mentioned in the Regulations as specified in **Annexure A** to this policy.
- b. Information to be material based on the application of guidelines for materiality mentioned in the Regulations as specified in **Annexure B** to this policy.

Adequate disclosures shall be made to the Stock Exchange for the material events/ information specified in Annexure A and Annexure B.

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Materiality however, will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The Company shall consider the following criteria for determination of materiality of events/ 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. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - I. two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - II. two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - III. five percent of the average of absolute value of profit or loss after tax as per the last three audited consolidated financial statements of the Company.
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

6. AUTHORIZATION FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT / INFORMATION AND ITS DISCLOSURE

The Managing Director and Chief Financial Officer of the Company (Designated Officers) are severally authorised to determine materiality of an event / information for the purpose of disclosure in terms of this Policy and the Regulations and for the purpose of making disclosures to the stock exchange(s).

Contact details of the Designated Officers:

7. DISCLOSURE

The listed entity shall first disclose to stock exchange(s) of all events, as specified in Annexure A and

Annexure B or information as soon as reasonably possible and not later than the following timelines:

Nature of Information	Timelines for Disclosure
When the event or information is emanating from within the Company.	12 hours from occurrence of such event or information.
When the event or information is not emanating from within the Company.	24 hours from occurrence of such event or information.
When the event or information has arisen pursuant to a decision taken at the meeting of the Board of Directors of the Company.	30 minutes from closure of the meeting of the Board of Directors in which the decision was taken.

Provided that in case the disclosure is made after the timelines stated above, the Company shall, along with such disclosures provide explanation for delay.

The Company shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.

The Company shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information and on its own initiative. Further, the Company may exercise its discretion from time to time to confirm or deny any reported event or information to Stock Exchanges.

In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B hereto, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

Any material event or information pursuant to the receipt of a communication from regulatory, statutory, enforcement or judicial authority, shall be disclosed by the Company as per the timelines stated above, along with the said communication, unless disclosure of such communication is prohibited by such authority.

8. AMENDMENTS/MODIFICATIONS

Any subsequent amendment / modification in the Regulations which makes any of the provisions in this policy inconsistent with the Regulations, then the provisions of the Regulations would prevail over the Policy. Such amendment / modification shall automatically apply to this Policy.

9. CONFIDENTIALITY

Persons involved in the process of making disclosure(s) of material event(s) or information to the Stock Exchanges or those who are required to handle disclosure(s) under this Policy, shall ensure that confidentiality of such event(s) or information is maintained.

10. REVIEW OF POLICY

This policy shall be reviewed as and when considered necessary by the Board.

11. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and address of the web link thereto shall be provided in the Annual Report of the Company.

ANNEXURE A

EVENTS/ INFORMATION THAT ARE TO BE DISCLOSED WITHOUT APPLICATION OF MATERIALITY GUIDELINES

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or 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 associate company of the Company or any other restructuring.

Explanation (1) - For the purpose of this sub-para, the word 'acquisition' shall mean,-

- a. acquiring control, whether directly or indirectly; or
- b. acquiring or agreeing to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that -
 - i. 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
 - ii. 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 percent of the total shareholding or voting rights in the said company.
 - iii. the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of Regulation 30.

Explanation (2): For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include -

- a) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or
- b) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub clause (c) of clause (i) of sub-regulation (4) of Regulation 30.

Explanation (3): For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under Section 180 of the Act.

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. New Rating(s) or Revision in Rating(s).
4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, 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) 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 listed entity from stock exchange(s).

Provided that in case of Board meetings held for more than one day, the financial results shall be disclosed within thirty minutes of the end of the meeting on the day on which the results have been considered.

- 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, promoter 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 a 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 required to be disclosed in terms of any other provisions of the Regulations

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.

- 6. Fraud or defaults by the Company, its promoter, director, KMP, senior management or subsidiary or arrest of KMP, senior management, promoter or director of the Company, whether the same occurred within India or abroad.

For the purpose of this sub-paragraph:

- a. Fraud shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. Default shall mean non-payment of the interest or principal amount in full on the date when the debt has

become due and payable.

Explanation 1 - In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2 - Default by a promoter, director, KMP, senior management, subsidiary shall mean default which has or may have an impact on the Company

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- 7A In case of resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B In case of resignation of an independent director, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges:
 - a. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - b. Names of listed entities in which the resigning director holds directorship, indicating the the category of directorship and membership of board committees, if any.
 - c. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - d. The confirmation as provided by the independent director above shall also be disclosed to the stock exchanges along with the disclosures as specified sub-clause i and ii above.
- 7C In case of resignation of KMP, 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 KMP, 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 a bank.
11. Winding-up petition filed by any party / creditors.
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 extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of the Company, in brief.
15. (a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the 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.
16. 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;
 - 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, KMP, 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;

17. 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.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, KMPs 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 Regulations and is not already made available in the public domain by the Company.

Explanation - "social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, KMPs, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- a. search or seizure; or
 - b. re-opening of accounts under Section 130 of the Act; or
 - c. investigation under the provisions of Chapter XIV of the Act; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms

to the extent possible.

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 respect of the following:
- a. suspension;
 - b. imposition of fine or penalty;
 - c. settlement of proceedings;
 - d. debarment;
 - e. disqualification;
 - f. closure of operations;
 - g. sanctions imposed;
 - h. warning or caution; or
 - i. any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - name of the authority;
 - nature and details of the action(s) taken, initiated or order(s) passed;
 - date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - details of the violation(s)/contravention(s) committed or alleged to be committed;
 - impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
21. Voluntary revision of financial statements or the report of the Board of Directors of the Company under Section 131 of the Act.

ANNEXURE B

INFORMATION TO BE MATERIAL BASED ON THE APPLICATION OF GUIDELINES FOR MATERIALITY

1. Commencement or any postponement in the date of commencement of commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:
 - a. arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - b. adoption of new line(s) of business; or
 - c. closure of operation of any unit, division or subsidiary (in entirety or in 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. Pendency of any Litigation(s) / dispute(s) / the outcome thereof which may have an impact on the Company.
9. Fraud/defaults etc. by Employees of the Company which has or may have an impact on the 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. Grant, 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
14. Any other information/event viz. major development that is likely to affect business