



M M FORGINGS LIMITED

CORPORATE OFFICE: SVK TOWERS, 8TH FLOOR,
A25 INDUSTRIAL ESTATE, GUINDY, CHENNAI - 600032, INDIA.

POLICY FOR DETERMINATION AND DISCLOSURE OF MATERIAL EVENTS / INFORMATION

1. STATUTORY MANDATE

The Board of Directors (The “Board”) of M M Forgings Limited (the “Company”) has adopted the following policy and procedures with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges based on criteria as may be deemed necessary and has been adopted as part of this policy. The Board may review and amend this policy from time to time.

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”. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023

This Policy is applicable to the Company with effect from 01 December 2015, and the amended policy is applicable to the Company with effect from 14 July 2023. and is in terms of Clause 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

2. POLICY OBJECTIVE AND SCOPE

To determine the events and information which in the opinion of the Board are material and needs to be disclosed to the Stock Exchanges as per the time defined.

The purpose of this documents to present a high level policy statement for the Company regarding disclosure of material events / information in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

The policy is intended to define Company’s policy on disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in the Company in making decisions and undertaking regarding its responsibility about making public such events / information which may materially affect the performance of the company and thereby the share prices of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updating of website the details of information / events which are considered material or not but which may have a bearing on the performance of the Company and which may materially affect the share prices of the company.





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3. All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI's LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

4. DEFINITIONS

“**Act**” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.

“**Audit Committee or Committee**” means Audit Committee constituted by the Board of Director of the Company, from time to time under provisions of SEBI LODR, 2015, RBI Act and/or the Companies Act, 2013.

“**Board of Directors or Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Company**” means M M Forgings Limited, a Company incorporated under the Companies Act, 1913 or under any other act prior to or after Companies Act, 1956.

“**Independent Director**” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI's LODR, 2015 entered into with the stock exchanges.

“**Key Managerial Personnel**” (KMP) of the Company includes Managing / Whole-time Directors, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

“**LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Material Events**” are those that are specified in Para A of Part A of Schedule III of the LODR.

“**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Act;

“**Other Events**” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation (4).

“**Policy**” means Policy on Disclosure of Material Events.

“**Turnover**” shall have the meaning assigned to it in Section 2(91) of the Act;





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

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the LODR Regulations (“**Para B Events**”) subject to application of guidelines for materiality, as set out under the LODR Regulations.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Quantitative criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- (b) 2% (two per cent) of consolidated 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); or
- (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the ‘sign’ (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for ‘materiality’ of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

Qualitative criteria would mean an event/ 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; or
- (c) any other 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.





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6. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION AND ITS TIMELY DISCLOSURE:

The occurrence of material events could be either emanating from within or outside the listed entity by the Company's own accord or for reasons 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 disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 6(a), the events can be said to have occurred upon receipt of approval of the Board of Directors, i.e., 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. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under 6(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.

7. DISCLOSURE:

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
- ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
- iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty-four) hours from the occurrence of the event or information.





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- a) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
- b) 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.

The KMPs of the company jointly and severally in consultation with the Board of Directors shall disclose such events / information about its subsidiary which are considered material in nature and whose disclosure is likely to materially affect the share prices of the Company.

8. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

The Compliance Officer, of the Company, shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

9. AUTHORISATION TO KMPs TO SUOMOTO ACCEPT / DENY REPORTED EVENT OR INFORMATION

The Key Managerial Personnel (KMPs) consisting of the Managing / Whole-time Director, Chief Financial Officer and the Company Secretary are hereby jointly and severally authorised to determine whether the event / information is material or not and in turn about its time line for 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 said information being made public.

The above KMPs are hereby jointly and severally authorised to *suomoto* accept / deny any report event or information, which has been made public by media or by any other means in an unauthorised mode including but not limited to electronic means. They are further authorised to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.





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10. COMPLIANCE OFFICER

The Compliance Officer for the Purpose of complying with the provisions of LODR, 2015 shall be the Company Secretary of the Company.

11. POLICY REVIEW

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

12. BOARD'S APPROVAL

This policy was approved by the Board of Directors at their meeting held on 12 August 2023 (the Last amended date).

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CERTIFIED TO IATF 16949:2016 and ISO 9001:2015 STANDARDS