



SCAN STEELS LIMITED

POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION

POLICY ON DISCLOSURE OF MATERIAL EVENTS / INFORMATION

[Under Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. BACKGROUND

Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as “SEBI (LODR) Regulations”] mandates that every listed entity shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed company, is material as well as any price sensitive information. The listed entity shall frame a policy for determination of materiality, based on the specified criteria duly approved by its board of directors, which shall be disclosed on its website.

The Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information for the purpose of making disclosures.

In view of the same, The Board of Directors (The “Board”) of scan steels Limited (SSL) (the “Company”) has adopted this “Material Events Policy” of Scan Steels Limited (“the Company” or “SSL”) 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 and In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed there under and Listing Regulations (“Statutory Provisions”), the provisions of Statutory Provisions shall prevail.

The Policy has been framed considering that stakeholders of the Company need timely, sufficient & reliable information and communication in a coherent manner regarding material events that matters / makes influence on the Company and also to comply with the regulatory requirements of Regulation 30 of the SEBI (LODR) Regulations.

The policy is also intended to define SSL’s policy on disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in SSL 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 updation 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.

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 there under, as amended from time to time.

2 . DEFINITIONS

1. **Company** means “ Scan Steels Limited” a Company incorporated under the Companies Act, 1956.
2. **Authorized Key Managerial Personnel**
Authorized Key Managerial Personnel means Managing Director or Chief Financial Officer or Company Secretary & Compliance Officer of the Company, who are authorised, individually or jointly, for determining the materiality of an event or information that qualifies for disclosure and to decide the appropriate time and details of its disclosure to be made to the Stock Exchange(s).
3. **Price Sensitive Information**
“Price-sensitive information” means any information which relates, directly or indirectly, to the Company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.
4. **“Material Events”** are those that are specified in Para A of Part A of Schedule III of the LODR and the individual transaction or arrangement which, in the opinion of the Authorized Key Managerial Personnel is significant to the operations or performance of the Company as well as any price sensitive information.
5. **“Policy”** means Policy on Disclosure of Material Events / Information.
6. **“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)
7. **“LODR”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
8. **“Schedule”** means Schedule III annexed to SEBI (LODR) Regulations, 2015.
9. **Compliance Officer**
Compliance Officer means "Company Secretary" of the Company.
10. **Stock Exchanges**
Stock Exchanges means where the Equity Shares of the Company are listed
11. **“Board of Directors or Board”** means the Board of Directors of Scan Steels Limited, as constituted from time to time.

3. INTERPRETATION

Terms that have not been defined in this policy shall have the same meaning assigned to them in the SEBI (LODR) Regulations and Companies Act, 2013 as amended from time to time.

4. POLICY

The Company will as soon as reasonably possible inform the Stock Exchange(s) of all the events or information which will have material impact on the performance/operations of the Company, as well as any price sensitive information.

The "Authorized Key Managerial Personnel" shall be entitled to take a view on the materiality of an event or information which are qualifying for disclosure as provided in Para B of Part A of Schedule III of the SEBI (LODR) Regulations and to decide the appropriate time at which such disclosure is to be made with the Stock Exchange(s) and details that may be disclosed in the best interest of present and potential investors.

5. REPORTING AND DISCLOSURE

Regulation 30 of SEBI [LODR] Regulations, 2015, have categorized material events and information which will have bearing on the performance/operations of the Company. The disclosures of events and information which the Company shall make to the Stock Exchange(s) as broadly categorized under these regulations are as under –

- Events in category A shall be disclosed to Stock Exchanges without any application of the guidelines for materiality i.e. these are mandatorily to be disclosed irrespective of the extent of happening of event.
- Events that have been provided in category B shall be disclosed to Stock Exchanges upon application of the guidelines for materiality to be determined by the Authorized Key Managerial Personnel on the basis of criteria as mentioned in Regulation 30(4).
- Any other material event or information as per Category C, which have not been covered under category A & Category B, shall also be disclosed to the Stock Exchanges upon application of guidelines for materiality to be determined by the Authorized Key Managerial Personnel on the basis of criteria as mentioned in Regulation 30(4).

Details of above events or information are provided in Annexure(s) forming part of this policy.

6. CRITERION FOR DETERMINATION OF MATERIALITY

The following criterion/ thresholds shall be considered for determination of materiality of events and information:

Qualitative Materiality Criterion

- 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 criterion specified in sub-clauses (a) and (b) above are not applicable, an event/information may be treated being material, if in the opinion of the Board of Directors of the Company, the event or information is considered material.

Quantitative Materiality Thresholds

The event or information the impact of which is more than 10% of the turnover or net worth of the Company, as the case may be. These thresholds shall be determined on the basis of audited financial statements of the Company for the preceding financial year.

7. TIME LINE FOR DISCLOSURE

- a. The Company shall disclose the material events as specified and within the time limit prescribed by SEBI from time to time.
- b. The Company shall first disclose to stock exchange(s) of all events or information, as specified in Part A of Schedule III of SEBI (LODR) Regulations or any other event or information considered material, as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

Provided that in certain unavoidable circumstances or due to confidentiality of information for a limited period of time, the Company might delay in disclosing the material event/information to the stock exchange, in that case the disclosure regarding delay in disclosing the material event/information along with the reasonable explanation and clarification will be disseminated to the stock exchange by the Compliance Officer of the Company.

Provided further that disclosure with respect to events specified in Sub-Para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

- c. The Company shall, with respect to disclosures referred to in SEBI (LODR) Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- d. The Company shall disclose all material events or information with respect to its material subsidiaries, if any, to the stock exchanges, where the shares of the Company are listed.
- e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

8. WHEN AN EVENT/INFORMATION HAS OCCURRED

The Company may be confronted with the question as to when an event/information can be said to have occurred.

In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., and the answer would depend upon the timing when the Company became aware of the event/information.

Any event or information can be said to occur in the following manner:

- (a) Event(s) or information occurred which have been initiated by the Company can be said to have occurred upon receipt of approval or decision 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.

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.

- (b) Event(s) or information other than those covered in (a), can be said to have occurred when a Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

9. GUIDELINES

All disclosures made under Regulations 30 of the SEBI (LODR) Regulations shall contain minimum information as stated hereunder in case of happening/reporting of any below mentioned event:

1. Disclosure content to report change in General Character of Business

- a. Nature of arrangements that lead to change in general character of business
- b. Rationale for such change in character of business.
- c. Benefits / impact of such change in character of business, if any.

2. Disclosure content to report disruption of operations due to natural calamity:

- a. On occurrence of such event keep exchanges informed of the occurrence of such disruptive natural calamity.
- b. Company shall inform the Exchange(s) as soon as possible but not later than 15 days from the time of occurrence of the disruptive natural calamity. If for any reason, the impact assessment is not completed in 15 days' time, the Company shall inform the Exchange(s) about the status of assessment and expected date by which assessment will be completed.
- c. This disclosure shall also include whether this risk is covered by insurance and the value of insurance cover.
- d. Inform the Exchange(s) as and when Company, in its judgment considers that normalcy is restored.

3. Disruption of operations due to events such as strikes, lockouts etc.

At the time of occurrence:

- a. Impact on the production/operations in case of strikes/lock outs.
- b. Factory/unit where the strike/lock out takes place including reasons for such strike.

Periodically, till complete normalcy is restored:

- a. The impact of the strike/lock out in some quantifiable terms
- b. Steps taken for restoration of normalcy
- c. Inform the Exchange(s) as and when strike/lock out is called off along with quantitative information on actual impact of such strike / lock out.

4. Disclosure on commencement or closure of commencement operations

- a. Company will inform the Exchange(s) if and when a material commercial production or service is commenced or shut down.
- b. The disclosure should also include projected financial impact with appropriate disclaimers.
- c. Company shall issue a clarification to the Exchange(s) if there is a material variation in the disclosures made earlier in this regard.

5. Disclosures regarding pricing/realization/profitability arising out of change in the regulatory framework

- a. Company shall inform the Exchange(s) about material changes in pricing/realization/profitability arising out of change in the regulatory framework.
- b. The disclosure may also quantify impact of such regulatory framework.

6. Disclosure relating to litigation/dispute/regulatory action with a material impact

- a. Company shall keep the Exchange(s) informed of any litigation/dispute developments with respect to any dispute in conciliation proceedings, litigation, assessment, adjudication or arbitration to which it is a party or the outcome of which can reasonably be expected to have a material impact on its present or future operations or its profitability or financials.
- b. The Company shall keep the Exchange(s) informed of cessation/conclusion/settlement of the above said litigation/dispute along with the concluding order or concluding settlement information.

7. Revision in Ratings

- a. The Company shall promptly notify the Exchange(s), but not later than 24 hours, the details of any rating or revision in rating assigned to any debt or equity instrument of Company.
- b. In case of downward rating, the disclosure may include reasons published by rating agency for such downward rating.

8. Any other Information requiring disclosure

- a. Such details as may be necessary to give the shareholders and general public sufficient information to form a fair view on the price of the securities of the Company.
- b. The disclosure guidelines prescribed by the Stock Exchange(s), if any shall be adhered to.

10. AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

The Key Managerial Personnel (KMPs) consisting of the Managing Director, Chief Finance 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

11.WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES

The Company shall update all disclosures made under the policy to the stock exchanges in its website and shall be continue to hosted in the website for a minimum period of five years and thereafter archived as per web archival policy of the Company

Archival Policy of the Company: The Company shall host the disclosures as required under the Companies Act, 2013 and Rules thereof, SEBI Act, SEBI Rules and Regulations, Taxation Laws, other statutory Acts and Rules as amended time to time on the website of the Company for a period of minimum five years from the date of hosting except any specific time period specified for thereof.

the company Secretary, 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.

12. AUTHORISATION TO KMPs TO SUO MOTO ACCEPT / DENY REPORTED EVENT OR INFORMATION

The Key Managerial Personnel (KMPs) consisting of the Managing Director, Chief Finance Officer and the Company Secretary are hereby jointly and severally authorized to suo moto accept / deny any report event or information, which has been unauthorisedly made public by media or by any other means including but not limited to electronic means. They are further authorized to respond to the rumors 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.

13. IMPLEMENTATION

SSL will adhere to highest standards with regard to the implementation of this policy. The Executive Director and Compliance Officer of the Company shall have overall responsibility for implementing of this policy and shall take internal/external approvals, wherever necessary.

14. COMPLIANCE OFFICER

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

15.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

16.BOARD'S APPROVAL

This policy was approved by the Board of Directors at its meeting held on **25 November, 2015** and shall be effective from 1st December, 2015.

ANNEXURE

A) EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY AS SPECIFIED IN SUB-REGULATION (4) OF REGULATION (30) OF SEBI [LODR] REGULATIONS, 2015.

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 listed entity 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 listed entity 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 percent 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 the board of directors: The listed entity 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).
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 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.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity 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. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One time settlement with a bank.
 11. Reference to BIFR and 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 listed entity.
 13. Proceedings of Annual and extraordinary general meetings of the listed entity.
 14. Amendments to memorandum and articles of association of listed entity, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

B) EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED IN SUB-REGULATION (4) OF REGULATION (30) OF SEBI [LODR] REGULATIONS, 2015.

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 listed entity 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 listed entity.
 8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
 9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
 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.
- C)** 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 listed entity which may be necessary to enable the holders of securities of the listed entity 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 its Board of Directors from time to time.
