

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION
OF
MODERN ENGINEERING AND PROJECTS LIMITED
*Amended on August 10, 2023***

SCOPE AND PURPOSE OF THE POLICY

The Securities Exchange Board of India, on 2nd September, 2015, has come out with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). By virtue of the said Regulations, 2015, Modern Engineering and Projects Limited (the “Company”) recognizes the need to frame a policy to determine the material events by testing the materiality as required under Regulation 30 for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange (where the Company’s equity shares are listed, herein after called “the Exchange”).

APPLICABILITY

This Policy shall be applicable to all events in the Company, as and when they come under the criteria enumerated in the Policy.

DEFINITIONS

- i. **“Board”** shall mean the Board of Directors of the Company;
- ii. **“Company”** shall mean Modern Engineering and Projects Limited;
- iii. **“Compliance Officer”** shall mean qualified Company Secretary appointed as a Compliance officer as per Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- iv. **“Key Managerial Personnel / KMP”** means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013
- v. **“Officer”** means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.
- vi. **“Regulations”** mean SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 which include modifications/clarifications/circulars thereof.

vii. “Senior Management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer or Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and Chief Financial Officer.

POLICY & PROCEDURES

As stated above, in terms of the Regulation 30 of the Listing Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the Board of the Company is material. Further, the events specified in Para A of Part A of Schedule III are deemed to be material events and the Company is mandatorily required to make disclosure of such events. The Company is required to make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality as set out in this Policy.

In this context, the following criteria has been adopted by the Board for determining materiality of events.

1. The events specified in Para A of Part A of Schedule III of the Regulations and as set out in Annexure I to this Policy shall be disclosed by the Company as applicable from time to time and in a manner as set out in the regulations and this Policy.
2. For disclosing the events specified in Para B of Part A of Schedule III of the Regulations and as set out in Annexure II to this Policy. The Company shall consider the following criteria for determination of materiality of 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.
 - 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) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material.

3. As specified in Para C of Part A of Schedule III of the Regulations and as set out in Annexure III to this Policy.

DISCLOSURE OF EVENTS/INFORMATION

Any event purported to be reportable under Annexure A and Annexure B of this Policy shall be informed to the Managing Director /or Whole time Director/ or Chief Financial Officer/ or Company Secretary of the Company at cs@mep.ltd on an immediate basis with adequate supporting data/ information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer or to the Company Secretary.

The Managing Director, the Whole time Director and the Chief Financial Officer shall severally be responsible and authorized for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.

After evaluation of materiality of event, any one Directors or Chief Financial Officer or Company Secretary shall make disclosure to the Stock Exchanges.

All disclosures shall be available on the website of the Company for a period of 5 years.

AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating policies and procedures. Therefore, this policy is also subject to modification from time to time as per requirement of applicable law. Any amendment of any provision of this policy must be approved in writing by the Company's Board and promptly disclosed on the Company's website.

ANNEXURE I

Events which shall be disclosed without any application of the guidelines for materiality as Specified in Regulation 30

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 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 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).

Provided that 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.

- 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.

- 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 a 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 these Regulation.

- 6. Fraud/defaults by Company, its promoter or director or key managerial personnel, Senior Management or Subsidiary or arrest of Key managerial Personnel, senior Management, promoter or director of the Company, whether occurred within India or abroad.
- 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.

- A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

 - B. Resignation of [independent director] including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - i. The letter of resignation along with] detailed reasons for the resignation as given by the said director.
 - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - 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 listed entities to the stock exchanges along with the [disclosures] as specified in subclause and (ii)above.

 - C. In case of resignation of key managerial personnel, 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 key managerial personnel, 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.

 - D. 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:

- (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.
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 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. (a) Schedule of Analyst or institutional investor 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, 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.
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 listed entities:
- 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 listed entity along with comments of the management, if any.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company
19. Action(s) initiated 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) search or seizure; or
(b) re-opening of accounts under section 130 of the Companies Act, 2013; or
(c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; 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 GPL or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the GPL, 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:
 - 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 GPL, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the GPL under section 131 of the Companies Act, 2013.

ANNEXURE II:

Illustrative list of events which shall be disclosed upon application of the guidelines for Materiality:

1. Commencement or any postponement in the date of commencement of commercial production or 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) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults 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. Granting, 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.

ANNEXURE III

The Company shall promptly disclose 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 accounts of the Company 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 establishment of a false market in such securities.
