

MEGA FLEX PLASTICS LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION

This Policy for determination of materiality of events and information for disclosure to the Stock Exchanges is framed in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The Policy applies in respect of disclosure of material events and information to the Stock Exchanges, as set out in the Listing Regulations.

1. DEFINITIONS

Unless repugnant to the context:

“**Act**” shall mean the Companies Act, 2013 including the Rules made thereunder.

“**Board**” shall mean the Board of Directors of the Company.

“**Company**” shall mean Mega Flex Plastics Limited.

“**CFO**” shall mean the Chief Financial Officer of the Company.

“**Company Secretary & Compliance Officer**” shall mean the Company Secretary & Compliance Officer of the Company.

“**KMP**” shall mean the Key Managerial Personnel of the Company as defined under the Act.

“**Policy**” shall mean the Policy for Determination of Materiality of Event/ Information.

“**Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2. DISCLOSURE OF MATERIAL EVENTS AND INFORMATION

The Company shall disclose events or information, which are material or may have material impact on the Company, to the Stock Exchanges, in terms of the Listing Regulations.

Events or information which are specified under the Listing Regulations for disclosure to the Stock Exchanges are divided broadly into the following categories:

- (a) Events or information specified in Para A of Part A of Schedule III of the Listing Regulations will be deemed to be material and disclosed to the Stock Exchanges without any application of guidelines for assessing materiality.
- (b) Events or information specified in Para B of Part A of Schedule III of the Listing Regulations will be disclosed to the Stock Exchanges, upon application of the guidelines for assessing materiality referred to in Clause 3 of the Policy.
- (c) Any other event or information such as major developments that are likely to affect business, changes in accounting policies that may have a significant impact on the financial statements of the Company or any other information which is exclusively known to the Company which may be necessary to enable the shareholders to appraise the Company's position and to avoid establishment of a false market in the Shares of the Company.

For determination of materiality of any event or information under the Policy, only such impact which is direct and perceivable, and not remote, shall be considered.

3. GUIDELINES FOR ASSESSING MATERIALITY OF EVENTS AND INFORMATION

The Company shall consider the following criteria for determination of materiality of events or information, or such other criteria as may be prescribed under the Listing Regulations from time to time:

- (a) An event or information, whose value or expected impact in terms of value, exceeds lower of the following:
 - (i) 2% of turnover, as per the last audited consolidated financial statements of the Company; or
 - (ii) 2% 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; or
 - (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

Accordingly, value of any event or information exceeding the lower of (i), (ii) or (iii) above, will be considered for assessing materiality of events or information.

- (b) An event or information, which, if not disclosed, is likely to result in:

- (i) discontinuity or alteration of an event or information already available in public domain; or
- (ii) significant market reaction, if the said omission came to light at a later date.

Notwithstanding anything contained above, an event or information will be disclosed to the Stock Exchanges, if in the opinion of the Board of Directors of the Company ('the Board'), the event or information is considered material.

4. TIMELINES AND OCCURRENCE OF EVENT / INFORMATION

The Company will disclose material events or information to the Stock Exchanges, upon occurrence of the event and / or availability of information, as soon as reasonably possible but within the time period as prescribed under the Listing Regulations.

The timing of occurrence of an event and / or availability of information would be decided on the basis of facts and circumstances prevailing at that time, as per the following guidance:

- (a) In the matters involving negotiation, discussion or approval etc., the event or information can be said to have occurred upon receipt of approval by the Board and / or the Shareholders, as the case may be.

If in-principle approval or approval to explore (which is not final approval) is given by the Board, disclosure to the Stock Exchanges will not be required under the Policy.

- (b) In other matters, where such negotiation, discussion or approval etc. is not involved (such as natural calamities, strike, lock-out etc.), the event or information can be said to have occurred when the Authorised Person, referred to in Clause 5 of the Policy, becomes aware / is made aware of such event or information.

5. AUTHORISED PERSON

The Managing Director along with any one of the Chief Executive Officer, Chief Financial Officer and the Company Secretary, are authorised ('Authorised Person') to determine materiality of any event or information in terms of the Policy for the purpose of making appropriate disclosures to the Stock Exchanges, and related matters.

If any Director or employee of the Company or its subsidiary, if any, becomes aware of any activity / action that leads or may lead to occurrence of any material event or information, such Director or employee should report such potential material event or information to the Authorised Person, thereby enabling them to determine materiality of the said event or information for disclosure to the Stock Exchanges.

All Shareholders, Promoter, Promoter Group Entities, related parties, Directors, Key Managerial Personnel, Senior Managerial Personnel and employees of the Company or of its subsidiary or associate company, if any, who are parties to any agreement specified in Clause 5A of Para A of Part A of Schedule III of the Listing Regulations, shall inform the Authorised Person about the agreement to which the Company is not a party, within two working days of entering into such agreement.

On receipt of communication of any potential material event or information, the Authorised Person shall -

- (a) review the event or information and take necessary steps to verify the occurrence of such event or information; and
- (b) assess whether the event or information is material in terms of the Policy and requires disclosure to the Stock Exchanges.

The contact details of the Authorised Person will be separately disclosed to the Stock Exchanges and uploaded on the Company's website.

6. GENERAL

- (a) The Company will also disclose, with respect to its subsidiaries, if any, all such events or information which are material or may have a material impact on the Company in terms of the guidelines for assessing materiality referred to in Clause 3 of the Policy.
- (b) Where the Company makes disclosures to the Stock Exchanges under the Policy, the Company shall also make disclosures updating material developments, till the event is resolved or closed.
- (c) In case an event or information is required to be disclosed by the Company in terms of the Policy, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company will also disclose to the Stock Exchanges such communication, along with the event or information, unless the disclosure of the communication is prohibited by the authority.
- (d) The Policy will be posted on the Company's website.

7. AMENDMENT AND REVIEW

In the event of any inconsistency between the Policy and the applicable laws, the applicable laws will prevail. Any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the terms of the Policy, shall be deemed to have been incorporated in the Policy.

The Policy will be reviewed and / or modified by the Board as and when deemed necessary.

This Policy was approved by the Board on 24th May, 2025.

Annexure A

Guidance on appropriate parameter (Profit/Net-worth/Turnover) to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III of LODR Regulations

Based on the above, an analysis as to which of the three parameters should be applied for events or information stated in Schedule III, Part A, Para B is suggested below for uniform approach by the listed entities:

Sl. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
2	Any of the following events pertaining to the listed entity:	
	(a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or	Lower of the below: a. Capital invested or to be invested for such tie-up to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or Expected impact on profit/ loss to 5% of average PAT
	(b) adoption of new line(s) of business; or	Lower of the below: a. Capital invested or to be invested for new line of business to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or Expected impact on profit/ loss to 5% of average PAT
	(c) closure of operations of any unit, division or subsidiary (in entirety or in piecemeal)	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or Expected impact on profit/ loss to 5% of average PAT
3	Capacity addition or product launch.	Capacity addition: Lower of the below:

		<ul style="list-style-type: none"> a. Capital invested or to be invested to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT <p>Product launch:</p> <p>Lower of the below:</p> <ul style="list-style-type: none"> a. Capital invested or to be invested for product launch to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or <p>Expected impact on profit/ loss to 5% of average PAT</p>
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business	<p>Lower of the below:</p> <ul style="list-style-type: none"> a. Expected capital expenditure to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
5	Agreements (viz. loan agreement(s) 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	<p>Lower of the below, as may be applicable:</p> <ul style="list-style-type: none"> a. Expected impact on balance sheet (increase in liability in terms of amount of loan) to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
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.	<p>Lower of the below:</p> <ul style="list-style-type: none"> a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	<p>Lower of the below:</p> <ul style="list-style-type: none"> a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT

8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT Expected impact on profit/ loss to 5% of average PAT
9	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
10	Options to purchase securities including any ESOP/ESPS Scheme	Lower of the below: a. Expected increase in capital to 2% of consolidated net worth; or b. Expected impact on profit/ loss to 5% of average PAT
11	Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party	Lower of the below: a. Expected impact on balance sheet (increase in liability in terms of amount of guarantee, indemnity, surety, etc.) to 2% of consolidated net worth; or b. Expected impact on profit/ loss in case the guarantee / indemnity / surety is invoked to 5% of average PAT
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
13	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority	Threshold to be linked with Para A(20) - imposition of penalty.