McNally Bharat Engineering Company Limited
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January 4, 2016

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

National Stock Exchange Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051

Dear Sir,

Sub: Policies under the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to disclose the following policies that have been adopted by the Company:

1. Policy for Determination of Materiality for Disclosures of Information and Events of the Company pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015

2. Preservation of Documents and Archival Policy pursuant to the provisions of Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The said policies are also hosted in the website of the Company.

Thanking you,

For **McNally Bharat Engineering Company Limited**

Dibakar Chatterjee
Company Secretary

POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURES OF INFORMATION AND EVENTS OF THE COMPANY

The securities of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). As per the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations) that has come into effect from December 1, 2015, the Company is required to formulate a policy for determining materiality of events or information that requires disclosures to investors. Therefore, the Company frames and adopts this Policy on Determination of Materiality for Disclosures ("Policy").

Objective of the Policy
The objectives of this Policy are as follows:

a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations applicable to the Company.

b. To ensure timely disclosure of information and events that may have an effect on the interest of the Company's stakeholders.

c. To ensure that the information and events disclosed by the Company is timely, accurate, transparent and does not contain any misrepresentation.

d. To protect the confidentiality of Material /Price sensitive information within the context of the Company's disclosure obligations.

Disclosure of Information/Events
The information and events covered by this Policy shall include information related to the Company's business activities and performance. Information or events that will be disclosed without any application of the guidelines for assessing materiality are given in Annexure 1 to this Policy.

Information or events that will be disclosed upon application of the guidelines for assessing materiality are specified in Annexure 2 to this Policy.

The information or events shall be submitted to the Stock Exchanges, where the Company is listed, in the manner notified by them.

All Information or events with respect to subsidiaries of the Company, which are material for the Company, shall also be disclosed by the Company.

Guidelines for Assessing Materiality
Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the information or event.

The following criteria will be considered for determining materiality of events/information:

i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

ii. 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;

iii. In case where the criteria specified in (i) and (ii) 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

Persons Responsible for Disclosure

The Board of Directors of the Company shall authorize its Key Managerial Personnel (KMP) to determine the materiality of an information or event and to make appropriate disclosure on a timely basis. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The contact details of the KMPs authorized by the Board (including any changes thereon) for this purpose shall be disclosed to the Stock Exchanges, where the Company is listed, and shall be hosted on the website of the Company.

Website

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. All information and events that will be disclosed to the Stock Exchanges, where the Company is listed in, shall also be hosted on the website of the Company for a minimum period of five years from the date of its disclosure.

Policy Review

The KMP(s) may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors.

Annexure 1

The following shall be events/information, upon occurrence of which McNally Bharat Engineering Company Limited ("Company") shall make disclosure to stock exchange(s):

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Company 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 Company 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 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 Company 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 Company 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 Company.

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;

Annexure 2

The following shall be the guidelines based on which events/information shall be determined for its disclosure by McNally Bharat Engineering Company Limited ("Company") to the Stock Exchange(s), as provided in sub-regulation (4) of regulation (30) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Company.

8. Litigation(s) / dispute(s) / regulatory action(s) with impact.

9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of 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.

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 Company which may be necessary to enable the holders of securities of the Company 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 the Board from time to time.

PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY

Preamble

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), McNally Bharat Engineering Company Limited (the Company) is required to formulate a policy for preservation of documents required to be maintained under the Listing Regulations in at least two categories as specified in the said Regulation.

In terms of Regulation 30(8) of the Listing Regulations, the Company is required to formulate an archival policy for all disclosures of events/information to the Stock Exchanges in terms of the Company's Policy for Disclosure of Events/Information and Determining of Materiality.

Objective

The purpose of this policy is to establish a framework needed for *effective* preservation of documents and records of the Company required to be maintained under the Listing Regulations, in terms of Regulation 9 and also to archive any of the material events or information which are disclosed by the Company to the Stock Exchanges prior to the period of five years in terms of Regulation 30.

Policy for Preservation Of Documents

1. Documents and Records of the Company required to be maintained under the Listing Regulations shall be classified in two categories as below:

    a. Documents whose preservation shall be permanent in nature shall be preserved permanently by the Company subject to the modifications, amendments, addition, deletion or any changes made therein from time to time

    b. Other Documents shall be preserved for a period of not less than eight (8) years after completion of the relevant transactions subject to the modifications, amendments, addition, deletion or any changes made therein from time to time

2. The listing documents and records in physical form shall be in the custody of the Company Secretary

3. The Company may keep the listing documents and records as specified above in electronic mode.

4. The Registrar and Share Transfer Agent shall ensure that the correct procedures are followed for maintenance of the Listing Records required to be maintained by them and provide an annual undertaking to the Company in this regard.

Archival Policy

Any disclosure of events or information which have been submitted by the Company to the Stock Exchanges under Regulation 30 of the Listing Regulations will be available on the website of the Company for a period of 5 years from the date of its disclosure and shall thereafter be archived from the website of the Company for a period of 3 years.

Disclosure/Amendment

This policy as amended from time to time shall be made available at the website of the Company. The right to interpret/amend/modify this Policy vests in the Board of Directors of the Company.