

**POLICY FOR DETERMINATION OF MATERIALITY AND DISCLOSURE OF
MATERIAL EVENTS / INFORMATION**



POLICY FOR DETERMINATION OF MATERIALITY AND DISCLOSURE OF MATERIAL EVENTS / INFORMATION.

I. Background:

As mandated under Regulation 30(4)(ii) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the company is required to frame a policy for determination of materiality based on the criteria as specified in the Regulation 30(4)(i) of Listing Regulations and is required to make disclosure of events/information as specified in Part A of Schedule III of Listing Regulations.

The Board of Directors of the Company has framed and adopted the following policy for determination of materiality of events in respect of disclosure of material events /information under Regulation 30 read with Schedule III of the Listing Regulations.

II. Objective and Scope:

Events or information requiring disclosure are categorized under this policy on three parameters:

- a) Category A - Events or information which are categorized as per se material by the Listing Regulations (Para A of Part A of Schedule III read with Regulation 30) and require their disclosure without any application or determination of their materiality.
- b) Category B - Events or information which are categorized as important under the Listing Regulations (Para B of Part A of Schedule III read with Regulation 30), but their materiality is subject to determination by the Internal Committee for Determination of Materiality of Events (ICDME) however subject to the nature and value-based yardsticks provided under Regulation 30(4).
- c) Category C - Events or information which in the opinion of ICDME are considered to be material upon application of the guidelines / criteria for determination of materiality either prior to happening or upon its occurrence, to enable the holders of securities of the Company to appraise the position of Company and to avoid establishment of a false market in such securities.

The extract of Para A & B of Part A of Schedule III as amended from time to time shall form as an annexure to this Policy.

The policy is intended to provide guidance to the Board of Directors, Key Managerial Personnel and other senior management of the Company for determination of materiality and in making decision to disclose events / information which may have bearing on the performance of the company and may materially affect share price of the company. This policy is framed for the purpose of systematic identification of a particular event / information of the Company as material, categorization, its disclosure,

instances to avoid establishment of false market, review, authorization, disclosure of events or information in respect of subsidiaries which are considered material to the Company and updation of website.

The Company shall also disclose all events or information with respect to subsidiaries which are material in terms of this Policy.

III. Disclosure under Category A:

Any event or information which are classified under Para A of Part A of Schedule III read with Regulation 30 of Listing Regulations (which are deemed per se material) shall be disclosed to the stock exchanges(s) as soon as possible but not later as specified hereunder:

- a) Within thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- b) Within twelve hours from the occurrence of the event or information, in case the event or information is emanating within the Company;
- c) Within twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity;

In case the Company is not able to make the disclosure within the time limits mentioned above, it has to provide explanation for the delay in disclosure.

IV. Material transaction or event to which the Company is not a party:

Shareholders, promoters, members of the promoter group, promoter group entities, related parties, directors, KMPs and employees of the Company or its subsidiary and / or associate company, who are parties to the agreements mentioned in Clause 5A of Para A of Part A of Schedule III to the Listing Regulations as reproduced hereunder, and to which the Company is not a party, shall inform the Company within two working days of entering into such agreement or signing of an agreement or entering into such agreements. Thereafter the Company shall disclose the same to the stock exchange within the time lines as applicable mentioned under Para III herein.

V. Constitution of Internal Committee for Determination of Materiality of Events (ICDME):

Pursuant to Regulation 30 read with Schedule III of Listing Regulations, Key Managerial Personnel / KMPs consisting of Mr. T S Kalyanaraman Managing Director, Mr. T K Seetharam Whole Time Director, T K Ramesh Whole Time Director, Mr. Sanjay Raghuraman Chief Executive Officer, Mr. V Swaminathan, Chief Financial Officer and Mr. Jishnu R G, Company Secretary and Compliance Officer shall form the Internal Committee for Determination of Materiality of Events (ICDME). The meetings of ICDME shall be in such mode as may be decided Mr. T S Kalyanaraman Managing Director. The proceedings and / or minutes of the meetings of ICDME may at the discretion of Mr. T S Kalyanaraman Managing Director be recorded or minuted.

Upon happening of an event or prior to happening of a perceived event which do not fall under Category A or B classified herein, the ICDME shall discuss and determine its materiality by employing such factors including but not limited to the impact it can have on the performance, reputation, ability to meet its financial requirements or affect share price or performance obligations of the Company and if in its considered opinion, ICDME consider that the event or information relating to an event about to happen is material, disclose the same within 24 hours of such determination to the stock exchange or to the public by means of an advertisement or press release or any other manner such that the information considered material shall be widely disseminated to the public and due to the complexity of the event or information if the said timeline could not be complied with, the Company can disclose that event or information together with an explanation for the delay.

VI. Compliance officer:

The Compliance Officer for the purpose of complying with the provisions of Listing Regulations shall ensure disclosures made under this policy are disseminated on the website of the Company. The Compliance Officer and the Chief Financial Officer shall advise and assist the ICDME or the Board of Directors of the Company or KMPs to determine the materiality of an event or information under this policy and the provisions of Listing Regulations.

VII. Guidelines/Criteria for determination of Materiality:

The following are the criteria or guidelines to be applied in respect of Categories B and C as provided hereunder;

- I. The omission of disclosure of an event or information would 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; or
- III. The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (1) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (2) two percent of the net worth, as per the last audited consolidated financial statements of the Company. If the arithmetic value of the net worth is in the negative, then such value shall not be considered.
 - (3) five percent of the average of absolute value of the profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

If any event / information do not fall in the first two categories (Categories A and B), but it is still in the opinion of the Board of Directors or ICDME are considered material.

VIII. Authorization to KMPs to suo-moto to confirm or deny reported event / information in mainstream media

The members of ICDME are jointly or severally authorised to suo-moto confirm / deny any reported event or information in the mainstream media circulating amongst investing public, which is not general in nature and which indicates that rumours of an impending specific event or information specified in Part A and B of Part I of Schedule III, as soon as reasonably possible and not later than twenty-four hours from reporting of the event or information. While confirming any such event or information, the Company should also provide the current status of such event or information.

However, the aforesaid confirmation or denial shall be applicable to the Company only if it falls within top 100 listed entities by market cap (on or after 01st October, 2023) or top 250 listed entities by market cap (on or after 01st April, 2024).

IX. Website Updation:

The Company shall update all disclosures made under the Listing Regulations and the policy 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 / archival policy of the Company.

X. Review and Amendment of Policy:

This policy shall be reviewed and amended by the Board of Directors as and when deemed necessary and to comply with any amendments or modifications in Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other Act or Regulations as may be applicable to the Company.

XI. Board's Approval:

The Board of Directors had approved and adopted this policy at their meeting held on 20.08.2020 and the same was further amended and approved on