



**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 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).
- 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 policy is intended to provide guidance to the Board of Directors, Key Managerial Personnel and other senior executives 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 which are classified under Para A of Part A of Schedule III read with Regulation 30 of Listing Regulations shall be disclosed to the stock exchanges(s) as soon as possible but not later than 24 hours except for matters listed in sub-para 4 of Para A of Part A of Schedule III which shall be disclosed with 30 minutes of the conclusion of the Board Meeting.

**IV. 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.S.Ravi, Chairman and Managing Director, Mr.R.Gauthamram, Whole Time Director, Mr.Thiyagaraj, Chief Operating Officer, Mr.C.B.Chandrasekar, Chief Financial Officer and Mr.Shainshad Aduvanni, Company Secretary and Compliance Officer shall form the Internal Committee for Determination of Materiality of Events (ICDME). Upon happening of an event or prior to happening of an 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 and 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.

**V. 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 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.

**VI. 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.

- 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 of an events / information' does not fall in the first two categories (Categories A and B), but still in the opinion of the Board of Directors or ICDME are considered material.
- iv. any other information/event which is likely to affect business;
- v. 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;
- vi. any other information which may be necessary to avoid the establishment of a false market in securities of the Company.

**VII. Authorization to KMPs to suo-moto to accept or deny reported event / information in public domain**

The members of ICDME are jointly or severally authorised to suo-moto accept / deny any reported event or information, which has been unauthorized, made public by media or by any other means including but not limited to electronic means. They are further authorised 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 subsequent meeting.

**VIII. 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.

**IX. 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.

**X. Board's Approval:**

This policy was approved by the Board of Directors at its meeting held on 09<sup>th</sup> December, 2020.

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## ENGINEERING ADVANTAGE

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