

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. PREAMBLE

In terms of Regulation 30 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“SEBI LODR Regulations”), every listed entity shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed company, are material.

Regulation 30 (4) (ii) of SEBI LODR Regulations requires framing of a policy for determination of materiality, based on criteria as laid in the Regulation 30(4)(i) of the SEBI LODR Regulations, duly approved by its Board of Directors, which is disclosed on its website.

Regulation 30 of the SEBI LODR Regulations mandates disclosure of all deemed material events to the Stock Exchange(s). These events have been specified in Para A of Part A of Schedule III of the SEBI LODR Regulations and shall be disclosed as applicable from time to time.

For disclosure of certain events (as specified in Para B of Part A of Schedule III) to the Stock Exchange(s), the following criteria shall be considered by the Board for determining whether the events are material or not.

Where the omission of an event or information is likely to result in:

- a. discontinuity or alteration of event or information already available publicly; or
- b. a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events based on qualitative criteria as stated in points (a) and (b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below.

This policy shall also apply to the events to which neither Para A or Para B of Part A of Schedule III applies but have a material effect on the Company.

II. OBJECTIVE OF THIS POLICY

The Board of Directors of the Company has adopted the Policy on Determination of Materiality of Events (“Policy”) in line with the requirements provided under the SEBI LODR Regulations as amended from time to time.

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorised Key

Managerial Personnel or other officers of the Company, as specified in this Policy, for determining the materiality of the said event or information and for making necessary disclosure to the concern Stock Exchange. All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

III. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) (“Para A Events”) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular

IV. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events or information pertaining to itself, specified in Para B of Part A of Schedule III of the LODR Regulations (“Para B Events”) subject to application of guidelines for materiality, as set out under the LODR Regulations.

V. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Qualitative:

The omission of an event or information, which is likely to result in significant market reaction if the said omission came to light at a later date; or

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

Quantitative:

The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following: two percent of turnover, as per the last audited consolidated financial statements of the Company;

- two percent of turnover, as per the last audited consolidated financial statements of the Company;
- 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;
- five percent of the average of absolute value of profit or loss after tax for last three years, as per the last three audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

In case where the criteria specified hereinabove 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.

VI. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

1. Any event purported to be reportable under Regulation 30 of the SEBI LODR Regulations shall be informed to Mrs. Puja Dalal, Director and Key Managerial Personnel, on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure.
2. Any other event not covered by the SEBI LODR Regulations but potentially of price sensitive nature shall also be informed to Mrs. Puja Dalal, Director and Key Managerial Personnel, for further evaluation.

3. The Key Managerial Personnel shall 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 SEBI LODR Regulations and this policy.
4. After evaluation, the disclosure shall be made to the Stock Exchange(s).
5. The Company shall use the electronic facilities provided by the Stock Exchange(s) for dissemination of the information and may subsequently disclose the same via other media, including the press release, the Company's own website etc.
6. Statutory time-frames for disclosure shall be adhered to. Any delay shall be sufficiently explained along with the disclosure.
7. Regular updates, where relevant, shall be made with relevant explanations.
8. All disclosures shall be available on the website of the Company for a period of 5 years.

There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person(s) should exercise his/her own independent judgement while assessing the materiality of events associated with the Company.

KMP may also, as a collective, consult the Chairman or any other Director of the Company while assessing the materiality of an event or information, and for evaluating whether the event/ information requires a Stock Exchange Disclosure.

VII. MODIFICATION OF THE POLICY

The Board of Directors, based on the recommendation of the Audit Committee of the Company, shall review this Policy at any time as it may deem fit in view of various factors including the changes in applicable laws and regulations.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.