

THE AMALGAMATED ELECTRICITY COMPANY LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. BACKGROUND AND APPLICABILITY OF THE POLICY

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) requires every listed company to disclose events or information which, in the opinion of the Board of Directors of a Company are material.

In this context, the Board of Directors, at its Meeting held on 9th November, 2015 framed the following policy for determination of materiality of events or information in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the Listing Regulations, with respect to disclosure of events and information.

- I. Regulation 30 of the Listing 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 Listing Regulations and shall be disclosed as applicable from time to time.
- II. 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. MATERIALITY THRESHOLDS

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.

The qualitative, as stated in points (a) and (b), and quantitative criteria shall apply to events specified in Para B of Part A of Schedule III of the Listing Regulations only (reproduced as an Annexure to this Policy).

III. DISCLOSURE PROCESS

1. Any event purported to be reportable under Regulation 30 of the Listing Regulations shall be informed to Mr.Milan B.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 Listing Regulations but potentially of price sensitive nature shall also be informed to Mr.Milan B.Dalal, Director and Key Managerial Personnel, for further evaluation.
3. The Key Managerial Personnel shall be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Listing 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.

IV. MODIFICATION OF THE POLICY

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any subsequent amendments to the Regulations which make any of the provisions of this Policy inconsistent, the provisions of these Regulations shall prevail.

The list of events in the Annexure, as it stands today, may be updated from time to time to reflect any changes and the updated version shall be uploaded.

Events which shall be disclosed upon application of materiality thresholds as set out in Serial No.II after the application of qualitative test as set out in Serial No.I.

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 listed entity
8. Litigation(s)/dispute(s)/regulatory action(s) with impact.
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
10. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of listed entity.
11. Options to purchase securities including any ESOP/ESPS Scheme.
12. Giving of guarantees or indemnity or becoming a surety for any third party.
