



THEJO ENGINEERING LIMITED

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POLICY FOR DETERMINATION OF MATERIALITY

1. Preamble

Thejo Engineering Limited (“the Company” or “Thejo”) is governed, *inter alia*, by the Rules and Regulations framed by Securities Exchange Board of India (“SEBI”).

The Company is committed to being open and transparent with all Stakeholders and in disseminating information in a fair and timely manner. Considering the continuous disclosure obligations stipulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (“the SEBI (LODR) Regulations” or “the Listing Regulations”), as amended, the Company has formulated this **Policy for Determination of Materiality (“the Policy”/”this Policy”)** to determine materiality of events or information that warrant disclosure.

The Board approved this Policy at its Meeting held on 12th August 2023, in supersession of the earlier Policy in this regard.

2. Objective

The objective of this Policy is to lay down the criteria for determination of materiality of events/ information as stipulated under the SEBI (LODR) Regulations which shall be disclosed to the Stock Exchange(s) where the equity shares of the Company are listed. This Policy is intended to act as a guidance for determining materiality of such events/information.

This Policy is also intended to assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

3. Definition

All the words and expressions used in this Policy shall have the same meaning as defined under the Companies Act 2013 and the Rules framed thereunder, Listing Regulations and/ or any other applicable law or regulations, as deemed appropriate in the given context.

4. Guidance on occurrence of an event or availability of information

4.1. The timing of occurrence of an event or the availability of an information shall be decided on a case-to-case basis and shall be in accordance with any applicable statutory pronouncements in that regard.

4.2. If the event/information involves various stage of discussions, negotiations, and approvals, the event/information can be said to have occurred only upon the approval by the Board or the Shareholders, as the case may be.

4.3. In the case of disruptions, natural calamities, etc, for the purpose of determination of materiality and disclosure, the event/information can be said to have occurred when the Company becomes aware of the same.

5. Criteria for determination of Materiality of events/ information

5.1. If the Board of Directors of the Company is of the opinion that an event or information is material, it shall be deemed to be a material event or information, without applying any criteria.

5.2. All the events or information as specified in **Para A of Part A of Schedule III** of the SEBI (LODR) Regulations shall be deemed to be a material event or information.

5.3. The materiality of an event or information specified in **Para B of Part A of Schedule III** of the SEBI (LODR) Regulations shall be determined based on the following criteria:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b) 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

(c) The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

i. two percent of turnover, as per the last audited consolidated financial statements of the Company;

ii. 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;

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

iv. In case where the criteria specified in sub-clauses i, ii and iii 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.

5.4. The materiality of any event or information not covered under any of the foregoing provisions shall be determined by considering one or more of the following factors, as deemed appropriate:

(a) The omission of an event/ information which might result in discontinuity or alteration of information which is already in public domain;

(b) The omission of event/ information which might result in significant market reaction, if the said omission comes to light at a later date;

(c) Potential to affect the reputation of the Company;

(d) Potential to create false market in the securities of the Company;

(e) The impact of event/ information whose value or the expected impact in terms of value exceeds the criteria as stipulated in the Listing Regulations from time to time;

- (f) If the event/information is a major development likely to affect business (for example, emergence of new technologies, expiry of patents, change in accounting policy having significant impact on the accounts, etc);
- (g) If the event/information is exclusively known to the Company which may be necessary to enable the security holders of the Company to appraise its position and to avoid false market in such securities; and
- (h) Whether the event/ information is in the ordinary course of business.

6. Authority for determination of Materiality and disclosure

If an event or information is deemed to be a material event/information by virtue of being specified in **Para A of Part A of Schedule III** of the Listing Regulations or based on the opinion of the Board that the event/information is material, the Key Managerial Personnel of the Company are severally authorized to categorize the event/information as material without applying any other criteria.

In other cases, a Disclosure Committee comprising of the Key Managerial Personnel of the Company is authorized to determine the materiality of an event or information based on criteria mentioned in this Policy.

The Key Managerial Personnel are severally authorized to make the necessary disclosures to the Stock Exchanges as required under the Listing Regulations. The Key Managerial Personnel of the Company are also severally authorized (suo moto or based on the request of any stock exchange) to confirm/ deny any reported event/ information to the Stock Exchange.

The Contact Details of the Disclosure Committee and the Key Managerial Personnel authorized to determine and disclose Material events/information are as follows:

Disclosure Committee Office,
Thejo Engineering Limited,
VDS House, 41 Cathedral Road,
Chennai 600086
Phone: 044-42221900
Email: investor@thejo-engg.com

7. Disclosure to stock exchanges

- (a) All events or information identified as material in line with the Listing Regulations and under this Policy shall be disclosed to the Stock Exchange.
- (b) The disclosure should be made within the timeframe stipulated under Listing Regulations or any other applicable statutory pronouncements.
- (c) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
- (d) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.
- (e) The Company shall simultaneously disclose on its website all such events or information which have been disclosed to the Stock Exchanges under this Policy or under the SEBI (LODR) Regulations. Such disclosures shall remain hosted on the website of the Company for a minimum period of five years.

8. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and any applicable law/regulation, such law/regulation shall prevail over this Policy.

The Board of the Company may amend or modify this Policy in whole or in part, at any time as it may deem necessary or pursuant to the amendments to the Listing Regulations and further guidelines and enactments that are issued by the Securities and Exchange Board of India from time to time.

Any amendment / modification in the Listing Regulations and/or applicable laws in respect of the subject matter of this Policy shall automatically apply to this Policy.