



AIA ENGINEERING LIMITED

**Policy for
determining
materiality of
event and
information
for disclosure**



December 1, 2015



TABLE OF CONTENTS

Sr. No.	Particulars	Page Nos.
1.	Background	3
2.	Definitions	3
3.	Objectives of the Policy	4
4.	Type of information	5
5.	Guidelines for assessing Materiality	5
6.	Guidelines for Rumour Verification	6
7.	Guidelines for Communication	6
8.	Guidance on timing of an event or information	7
9.	Person(s) responsible for disclosure	7
10.	Obligations of internal stakeholders & KMP for disclosure	8
11.	Policy Review	8
12.	Website	8
13.	Effective Date	9
14.	Contact Details	9



1. BACKGROUND

AIA Engineering Limited (“the Company” or “AIA”) is committed to being open and transparent with all stakeholders and believes in disseminating information in a fair and timely manner. The Company’s securities are listed on the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and the Company is required to comply with the continuous disclosure obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI Listing Regulations”).

The SEBI Listing Regulations are effective from December 1, 2015. Regulation 30 of SEBI Listing Regulations mandate listed entities to formulate a Policy for determining, based on the specified criteria duly approved by its board of directors, materiality of events or information that warrant disclosure to its stakeholders.

The Board of Directors of the listed entity is required to authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information for the purpose of making disclosures.

In view of above, the Policy on Determination of Materiality for Disclosure(s) (“Policy”) of AIA Engineering Limited (“the Company” or “AIA”) has been framed considering that stakeholders of the Company need timely, sufficient & reliable information and communication in a coherent manner.

2. DEFINITIONS

- (1) **“Board of Directors”** shall mean the Board of Directors of AIA Engineering Limited.
- (2) **“Chief Financial Officer”** or **“Executive Director (Finance)”**, by whatever name called, shall mean the person heading and discharging the finance function of the Company as disclosed by it to the recognised stock exchange(s) in its filing under the Listing regulations;
- (3) **“Compliance Officer”** means Compliance Officer means qualified Company Secretary, who shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel who is authorised by the Board of Directors of the Company for this purpose.
- (4) **“Key Managerial Personnel”** or **“KMP”** means Chief Executive Officer and Managing Director, Whole-Time Director, Chief Financial Officer and Company Secretary of AIA Engineering Limited.



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- (5) **“Mainstream media”** shall include print or electric mode of the following:
- i. Newspapers registered with the Registrar of Newspapers for India;
 - ii. News channels permitted by Ministry of Information and Broadcastings under Government of India;
 - iii. Content published by publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
 - iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdiction outside India;
- (6) **“Material events”** means the individual transaction or arrangement which, in the opinion of the Authorised Key Managerial Personnel, is significant to the operations or performance of the Company as well as may have significant influence on market price.
- (7) **“Policy or This Policy”** means "Policy for determining materiality of event & information for disclosure".
- (8) **“Promoter” and Promoter Group”** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (9) **“Stock Exchanges”** means where the Equity Shares of the Company are listed.
- (10) **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. OBJECTIVE OF THE POLICY

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded Company as laid down by the SEBI Listing Regulations and various other Laws and Regulations applicable, if any.
- b. To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.



- c. To ensure that to the best of the knowledge of the Management, the corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- e. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- f. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.

4. TYPE OF INFORMATION

The information covered by this Policy shall include "information related to the Company's business, operations or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information specified in Para A of Part A of Schedule III of Regulations 30 of SEBI Listing Regulations will be disclosed without any application of the Guidelines for materiality referred in sub-regulation (4) of Regulation (30).

Events or information specified in Para B of Part A of Schedule III of Regulations 30 of SEBI Listing Regulations will be disclosed based on Guidelines for materiality referred in sub-regulation (4) of Regulation (30).

Without prejudice to the Events or Information mentioned above, the Company may make disclosures of event/information as specified by its Board of Directors from time to time.

5. GUIDELINES FOR ASSESSING MATERIALITY

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determination of materiality of event or information:-

- a) the omission of an event or information which is likely to result in a discontinuity or alteration of an event or information already available publicly; or
- b) the omission of an event or information is like to result in significant market reaction if the said omission came to light at a later date; or
- c) the omission of 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 listed Company.
- d) In case where the above three criteria specified is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the listed entity, the event or information is considered material.

6. GUIDELINES FOR RUMOUR VERIFICATION

The Company shall confirm, deny or clarify upon the material price movement as may be specified by the Stock Exchanges, any reported event or information in the Mainstream Media which is not general in nature, and which indicates that rumours of an impending specific material event or information are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four hours from the trigger of material price movement.

In case the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

When the Company confirms within twenty four hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or pricing norms provided under Regulation 8 or Regulation 9 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or pricing norms provided under Regulation 19 or Regulation 22B of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 or any other pricing norms specified by the SEBI or the stock exchanges are applicable, then the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by the SEBI.

7. GUIDELINES FOR COMMUNICATION

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.



8. GUIDANCE ON TIMING OF AN EVENT OR INFORMATION

8.1 The Company may be confronted with the question as to when an event/information can be said to have occurred for making disclosure to the Stock Exchanges.

8.2 In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

8.2.1 In the former, the events/information can be said to have occurred upon receipt of approval of the Board e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board and shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of by the Board pending shareholder's approval.

In case in-principle approval or approval to explore (which is not final approval) is given by the Board, the same shall not require disclosure under the Listing Regulations.

8.2.2. In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Act and shall also include promoters of the Company.

9. PERSON(S) RESPONSIBLE FOR DISCLOSURE

The Board of Directors of the Company has authorized the Managing Director, Company Secretary and the Chief Financial Officer ("Authorised Persons") to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorised Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external advisor/agency as he/she may deem fit.

The Authorized Person(s) shall have the following powers and responsibilities for determining the material events or information:



- a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved / closed, with relevant explanations.
- d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- e. To disclose all events or information with respect to the subsidiaries which are material for the Company.

10. OBLIGATIONS OF INTERNAL STAKEHOLDERS & KMP FOR DISCLOSURE

- a. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of Regulation 30 of SEBI Listing Regulations shall be forthwith informed by the concerned stakeholders to the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- b. The Authorized Person will then ascertain the materiality of such event(s) or information based on the above guidelines.
- c. On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

11. POLICY REVIEW

The Authorized Person may review the Policy from time to time. Any amendments to the SEBI Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

If there be any inconsistency between the terms of the Policy and the SEBI Listing Regulations, the provisions of the Listing Regulations shall prevail.

12. WEBSITE

As per the provisions of the SEBI Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the SEBI Listing Regulations



and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Documentation Retention and Archival Policy of the Company.

13. EFFECTIVE DATE

The Policy has been effective December 1, 2015 and the amended Policy, shall be effective from February 7, 2025.

14. CONTACT DETAILS

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary, who is in charge of administering, enforcing and updating this policy.

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