



Policy on Determination of Materiality of Event or Information

[in terms of regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Background

This Policy on ‘Determination of Materiality of Events / Information has been adopted by the Board of Directors of **Tata Elxsi Limited** (hereinafter referred to as ‘**the Company**’), pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (hereinafter referred to as ‘**the Listing Regulations**’) read with the applicable circulars and guidelines issued in this regard.

This Policy has been framed for identification and facilitation of prompt disclosure of information regarding material events to the stock exchanges where the securities of the Company are listed.

2. Definitions

In this Policy, unless the context otherwise requires:

- a. “Board of Directors” shall mean the Board of Directors of Tata Elxsi Limited.
- b. “Chief Financial Officer” shall mean the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under the SEBI Listing Regulations.
- c. “Key Managerial Personnel” or “KMP” means Chief Executive Officer and Managing Director, Chief Financial Officer, and Company Secretary of Tata Elxsi Limited.

All other words and expressions used that are 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. Objectives of the Policy

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the applicable provisions of the Listing Regulations, circulars and guidelines issued by the Securities and Exchange Board of India vis-à-vis materiality of events and information.
- b. To provide a governance framework for the determination and disclosure of material events and information.
- c. To facilitate prompt and transparent disclosure of material events and information to the stock exchanges.
- d. To protect the confidentiality of Material / Price sensitive information within the context of Company’s disclosure obligations.
- e. To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

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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.

- a) Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.
- b) Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

5. Persons responsible for disclosure

The Board of Directors of the Company have authorised the KMP as defined under Clause 2(c) of the Policy to determine the materiality of an event or information and to make appropriate disclosure to the Stock Exchanges as also on the Company's website on a timely basis. The KMPs shall also be empowered to:

- a) seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- b) To call for information from all its internal stakeholders

The KMP shall have the following responsibilities for determining the material events or information:

- i) To put in place an adequate mechanism for collecting relevant information and events on a real-time basis, to the extent possible, to enable appropriate disclosures under this Policy. The mechanism should include the responsibility of all internal stakeholders to report all events and information to the KMP.
- ii) 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.
- iii) 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.
- iv) 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.
- v) 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 event or information.

6. 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 determining materiality of event or information:

- a. The omission of an event or information which is likely to:
 - (i) result in a discontinuity or alteration of an event or information already available publicly; or

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- (ii) result in significant market reaction if the said omission came to light at a later date;
 - b. 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; or
 - (ii) Two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the Company;
 - (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
- Accordingly, any transactions exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purposes.
- c. In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

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 of the Listing Regulations, 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

The Company may be confronted with the question as to when an event/information can be said to have occurred.

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 Company became aware of the event/information.

- i) In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors.
- ii) 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 Companies Act, 2013 and shall also include promoter of the listed entity.

9. Obligations of Internal Stakeholders and KMPs for Disclosure

- a. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- b. The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.

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- c. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

10. Policy Review

The KMP may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

In event of any inconsistencies between the terms of this Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Obligations shall mutatis mutandis be deemed to have been incorporated in this Policy.

11. Website

As per the provisions of the SEBI Listing Regulations, the Policy shall be disclosed on the website of the Company.

12. Contact Details

Any 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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