



POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION AND ITS DISCLOSURE TO STOCK EXCHANGE

[Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

❖ OBJECTIVE

Equity Shares of **A. K. Mega Electronics Limited** is traded in India on the National Stock Exchange of India Limited.

Securities and Exchange Board of India (“SEBI”) has issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the “Listing Regulations”). In terms of Regulation 30 (4) (ii), the Board of Directors (the “Board”) of the **A. K. Mega Electronics Limited** (the “Company”) has adopted this Policy for determining Materiality for Disclosures (the “Policy”) for determination of materiality of events or information (“Material Information”), to enable the Company to promptly disclose such information or event to the Stock Exchanges, pursuant to the Listing Regulation.

The Policy sets out the guidelines for identification of events or information within/outside the Company which are deemed to be material in the opinion of the Board of Directors.

The Policy applies in respect of disclosure of material events in relation to Company, its Directors, Promoters, Key Managerial Personnel, and Senior Management Personnel as required under Applicable Laws.

❖ AUTHORISED PERSON

The Managing Director and Company Secretary and the Compliance Officer will be the custodian of the disclosure process.

The contact details of the Managing Director MR. Himanshu kumar kushwaha-;
Email: himashuflimsald@gmail.com and Phone: 9935248177

The contact details of the Company Secretary: Mss. Chaya Walia
Email: investors@akmega.com and Phone: 5324044168



The Senior Management Personnel and such other persons, as determined by the aforesaid authorized persons shall be relevant employees for the purpose of this policy, to identify potential event or information pertaining to their functional roles and report the same to the aforesaid Authorized Persons.

Board of Directors, CEO, CFO, Key Managerial Personnel, Subsidiary and all other words not defined herein shall have the same meaning as assigned to those terms under the Listing Regulations, Companies Act, 2013 or any other applicable laws or regulations, as the case may be.

Regulation 30 (5) of Listing Regulations provides that the Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) under the necessary provisions of the Listing Regulation and the contact details of such personnel shall be also disclosed to the Stock Exchange(s) and as well as on the listed entity's Website.

The materiality of the event or information will be decided in consultation with business heads, plant heads, project heads and senior management personnel or persons connected with the event or information.

Powers and Responsibilities of the Authorised Person for determining material events or information within the Company:

- To review and assess the materiality of an event that may qualify as 'material' and may require disclosure, on
- The basis of facts and circumstances prevailing at that point in time.
- The disclosure shall be finalised in consultation with the Managing Director and CFO and in his absence, Executive Director or Company Secretary. For this purpose, the relevant details of event or information shall be sent to the Authorized Persons promptly or as soon as practicable to enable its disclosure to the Stock Exchanges.
- To make required disclosures within the stipulated time of actual occurrence of an event or information, after ascertaining facts.
- To disclose material developments on a regular basis, till such time the event or transaction is resolved/ closed, with relevant explanations.
- 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 Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- To disclose material events or information with respect to the subsidiaries of the Company.



❖ MATERIALITY ASSESSMENT

Information should be regarded as “material” if there is a substantial likelihood that a reasonable investor would consider such information important in making a decision to buy, sell, or hold a security or where such information is likely to have a significant effect on the market price of the security. Either positive or negative information may be material. Further an information or event may also be regarded as material, if whose value or the expected impact in terms of value, exceeds the thresholds prescribed under the Listing regulations. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event.

For the avoidance of doubt, events listed in Para A – Part a of Schedule III of Listing Regulations shall be disclosed without application of materiality criteria

❖ GUIDELINES FOR MATERIALITY ASSESSMENT

- The events or information specified in Para B of Part a of Schedule III of the Regulations, which will be disclosed based on application of materiality criteria.
- Materiality must be determined on a case to case basis depending on the material facts and the circumstances pertaining to the information or event and would be determined based on the qualitative judgement to be exercised by the Authorised Persons.
- 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 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:
 1. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 2. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 3. Five per cent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
 4. In case where the criteria specified in sub-clauses (a), (b) and (c) 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.



- The quantitative criteria shall apply to events specified in Para B of Part A of Schedule III of the Listing Regulations only and shall be used as a yardstick or reference for determining materiality and arriving at the overall decision on the event to be reported by the Company Secretary.
- In case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.
- The listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.
- In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

❖ **TIMELINES FOR DISCLOSURE**

The Company shall disclose all events or information within the timelines specified in the Applicable Laws.

Any event or information falling under Regulation 30 of Listing Regulations shall be informed to the Authorised Person(s) promptly upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the Stock Exchange.

Any other event, even if not covered under the Listing Regulations but is potentially of price sensitive nature, must also be informed for further evaluation, to the Authorised Persons.

The Authorised Persons will ascertain the materiality of events or information considering their nature and relevant impact in terms of discontinuity of market information and significant market reaction in case of omission. The respective departments shall assist the Authorised Persons in this assessment.

After evaluation, the Authorised Person shall issue a suitable disclosure to the Stock Exchange(s) in consultation with the Managing Director and in his absence, the COO & Executive Director or Chief Financial Officer, pursuant to Regulation 30 of the Listing Regulations.



❖ **POLICY REVIEW**

In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the clauses/ provisions of this Policy inconsistent with the Listing Regulations, the provisions of the Listing Regulations would prevail over the Policy and the clauses/ provisions in the Policy would be deemed to be modified accordingly. The Board also, at its discretion, has the power to review and revise the Policy.

❖ **DISCLOSURE ON WEBSITE**

As required under the Listing Regulations, the Policy will be disclosed on the website of the Company viz., <https://akmega.com>

Further, the Company shall disclose on its website all such events or information which have been disclosed to the Stock Exchange(s) under the Listing Regulation and such disclosure shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company. Any change in the content of its website shall be updated within 2 (two) working days from the date of such change in content.

❖ **LIMITATION AND AMENDMENT**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.