

PATEL ENGINEERING LTD.

POLICY

Determination of Materiality of Events and Information for Disclosures

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Document Control sheet

| Version | Date | Changes and Reason for change |
|---------|-------------------|---|
| 1.0 | December 1, 2015 | Effective date |
| 2.0 | February 09, 2022 | Reviewed and changes made to align with SEBI Listing Regulation 2015 |
| 3.0 | August 10, 2023 | Reviewed and changes made to align with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 |

Patel Engineering Limited

Policy for Determination of Materiality of Events and information for Disclosures

Introduction:

The Securities and Exchange Board of India (SEBI) had issued and notified "SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The Listing Regulation inter-alia require companies whose securities are listed on the Stock Exchange to determine the materiality of events or information, which could affect investment decision and ensure timely and adequate dissemination of information to Stock Exchanges.

Objective:

The objective of this policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company.

Events which are deemed to be material events:

The Company shall disclose all events, which are, specified in Para A – Part A of Schedule III of Listing Regulations (as applicable from time to time) without any application of the criteria for determination of materiality.

Events which are dependent on application of guidelines for materiality:

The Company shall disclose all such material events pertaining to events specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of criteria for determination of materiality.

Criteria for determination of materiality of certain events / information:

The Board of Directors of Patel Engineering Limited (the Company), has laid down the following criteria for determination of materiality of an event or information for disclosure to the Stock Exchange(s) where the shares of the Company are listed:

- (i) the omission of an event / information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (ii) the omission of an event / information is likely to result in significant market reaction if the said omission came to light at a later date; or
- (iii) *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 Company;

(2) 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;

(3) 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:

(v) *In case an event or information is required to be disclosed by the Company in terms of the provisions of this regulation, 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.

(vi) *All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the Company about the agreement to which Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements

Any other Event / Information, which is to be disclosed:

The Company shall disclose major developments that are likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

Power to determine materiality:

The Key Managerial Personnel of the Company are severally authorised to determine the materiality of an event or information and for the purpose of making disclosure to the Exchanges.

Review / Amendment of Policy

This Policy shall be subject to review as may be deemed necessary and in accordance with any statutory/regulatory requirements. Further, the Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

Events/Information with respect to Subsidiaries

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

**included/amended vide Board resolution dated August 10, 2023*

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.

Effective Date

This Policy is effective from December 1, 2015.