



# **Policy on Determination of materiality of Event or Information**

**December 01, 2015**

## **TATA ELXSI LIMITED**

### **POLICY ON DETERMINATION OF MATERIALITY OF EVENT/INFORMATION**

**(in terms of regulation 30 of the SEBI (Listing obligations and Disclosure requirements) Regulations, 2015)**

#### **1) OBJECTIVE**

The Securities Exchange Board of India (SEBI) vide its regulations SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) has mandated all the listed Companies to have a Policy on Determination of Materiality of Event or Information (“Policy”), in place duly approved by the Board of Directors.

#### **2) INTRODUCTION**

This Policy describes Tata Elxsi Limited (hereinafter referred to as “TEL”) operating principles and procedures for communication with capital market representatives. TEL aims to give all market participants simultaneous and timely access to the information they need so that they can determine the value of the TEL shares in an informed manner.

The TEL, equity shares are listed on The Bombay Stock Exchange and National Stock Exchange, and, have to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time.

#### **3) DETEERMINATION OF MATERIALITY**

The Board has authorised the Managing Director & CEO, The Chief Financial Officer (CFO) and the Company Secretary & Compliance Officer as the Key Managerial Personnel (KMP) to determine the materiality of any event or information on the following grounds:

- The omission of event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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.
- In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

The Company shall comply with the disclosure requirements as mentioned in Para A of Part A of Schedule III of the Regulations for which the test of materiality is not applicable.

The KMPs shall jointly decide the disclosure of the following event or information based on the factors for disclosure as enumerated above.

- (i) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- (ii) Change in the general character or nature of business.
- (iii) Capacity addition or product launch.
- (iv) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.
- (v) Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- (vi) Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- (vii) Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
- (viii) Litigation(s) / dispute(s) / regulatory action(s) with impact).
- (ix) Frauds/ defaults by directors (other than key managerial personnel) or employees of the listed entity.
- (x) Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme).
- (xi) Giving of guarantees or indemnity or becoming a surety for any third party.
- (xii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- xiii) Any other information/event viz. major development that is 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.

All the events as disclosed to the Stock Exchanges shall be uploaded into company's website and they shall be retained in the website for a period of 5 years and thereafter may be archived and stored for a period as per the Policy of Preservation of documents.

The policy has been approved by the Board of Directors at their meeting held on January 20, 2016, effective December 01, 2015, which policy is subject to change time to time in line with

the requirements of the Companies Act and SEBI(LO&DR) Regulations, 2015 as amended from time to time.

The Policy on Disclosures shall be uploaded on to the Company's Website in requirement of the regulations.

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