

Policy for Determination of Materiality of Disclosure

[Pursuant to Regulation 30(4) (ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Introduction

- 1.1 Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), every listed entity is required to make disclosures of any events or information which, in the opinion of the Board of Directors of the listed entity, is material. Events specified in Para A of Part A of Schedule III are deemed to be material events and a listed entity shall make disclosure of such events. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on the application of the guidelines for materiality, as specified in Regulation 30(4) of the Listing Regulations. As per Regulation 30(4)(ii), a listed entity shall frame a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by its board of directors, which shall be disclosed on its website.
- 1.2 In view of the aforesaid, the Board of Directors (“**Board**”) of MITCON Consultancy & Engineering Services Limited (“**MITCON / the Company**”) has adopted the ‘Policy for Determination of Material Events or Information’ (“**Policy**”) as required under Regulation 30(4)(ii) of the Listing Regulations in its meeting held on 18th February, 2016 which was further amended and adopted w.e.f. 01st April, 2019.
- 1.3 On 14th June 2023, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“**LODR 2023 Amendment**”) which shall come into force on 14th July 2023. Under the said LODR 2023 Amendment, SEBI has *inter alia* amended Regulation 30 of the Listing Regulations that deals with disclosure of events or information by a listed entity. Under the LODR 2023 Amendment, Regulation 30(4)(i) that sets out the criteria for determination of materiality of events/ information specified in Para B of Part A of Schedule III, has been amended.

In view of the aforesaid, this Policy has been amended by the Board of Directors of the Company in accordance with the provisions of LODR 2023 Amendment.

This amended Policy will be effective from 14th July 2023.

2. Personnel authorized to determine materiality

The Company Secretary or any other KMPs are authorized for the purpose of determining materiality of events of information and for the purpose of making disclosures to Stock Exchange and on the website of the Company, under the Regulations. The KMPs are also empowered to authorize the relevant employees as they may deem fit for identification of the material information.

For the purpose of this Policy, “**Relevant Employees**” shall include:

- (a) Senior Management Personnel i.e., the officers and personnel of the Company who are Members of its core Management team (excluding the Board), and shall also comprise of all the Members of the Management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer of the Company;
- (b) Such other persons as may be determined as Relevant Employee by the Authorized KMP or the Board of Directors.
- (c) Promoters (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) of the Company; and Directors of the company

The KMPs 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.

All such disclosures shall be signed by the Company Secretary or any other Key Managerial Personnel of the Company.

3. Criteria for determination of materiality of events/information

The Company shall consider the criteria as specified in Clause (i) of Sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events/ information as under:

- (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information 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:
- i. two percent of turnover, as per the last audited Consolidated financial statements of the listed entity;
 - ii. 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;
 - iii. five percent of three-year average of absolute value of profit/loss after tax, as per the last three audited Consolidated financial statements of the listed entity.

The Company Secretary of the Company shall, upon completion of audit of the Company's financial statements for each financial year, intimate the Relevant Employees, Relevant Persons and the Authorized KMPs, of the aforesaid values for each financial year.

- (d) In case where the criteria specified in sub-clauses (a), and (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material. Provided that any continuing event or information which becomes material pursuant to notification of the LODR 2023 Amendment, shall be disclosed by the Company within 30 (thirty) days from the date of coming into effect of the LODR 2023 Amendment i.e., on or before 14th August 2023.

4. Time Determination for Disclosure

The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- i. thirty (30) minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- ii. twelve (12) hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- iii. Twenty-four (24) hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines

Provided further that in case the disclosure is made after the timeline specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

5. 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.

6. Miscellaneous:

- 6.1 The Company shall make disclosures, updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- 6.2 All events or information which have been disclosed to the Stock Exchanges in accordance with this Policy, shall be disclosed on the website of the Company and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) financial years and thereafter as per the 'Archival Policy' of the Company.
- 6.3 The Company shall disclose all events or information with respect to its subsidiaries which are material for the Company, as per criteria specified below:

6.3.1 Listed Subsidiaries: Subsidiaries listed on the stock exchange(s)

The Company shall disclose all material event or information disclosed by Listed Subsidiary to the stock exchanges as per the Listing Regulations and to the Company, if such event or information is material to the Company as per the terms of this Policy.

6.3.2 Unlisted Subsidiaries: Subsidiaries not listed on the stock exchange(s)

The Company shall disclose all events or information with respect to Unlisted Subsidiaries, which are material for the Company as per the terms of this Policy.

The KMP authorized under this Policy will review the Policy from the perspective of the Listing Regulations and determine the events/information for disclosure as may be amended by SEBI from time to time. All such amendments will be informed to the Board and the approval of the Board will be sought to align the policy in line with the SEBI Listing Regulations.

6.4 The Board of Directors on its own and / or as per the recommendations of the Committee can amend this policy, as and when deemed fit.

In case of any amendments(s), clarification(s), circulars(s) etc, issues by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circulars(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc.

7. Website

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

Sd/-

Ms. Ankita Agarwal
Company Secretary & Sr. VP (Compliance & Legal)

POLICY HISTORY

Version No.	Prepared By	Reviewed By	Approved By	Date
V1	Mr. Madhav Oak	Audit Committee	Board of Directors	18.02.2016
V2	Ms. Ankita Agarwal	Audit Committee	Board of Directors	01.04.2019
V3	Ms. Ankita Agarwal	Audit Committee	Board of Directors	10.08.2023