

Policy for determination of materiality for disclosure of events or information.
[Pursuant to Regulation 30 of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. **Objective**

1.1 The Securities and Exchange Board of India ("SEBI") has issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Regulations"). In terms of Regulation 30 of the Regulations, the Board of Directors (the "Board") of Thermax Limited (the "Company") has adopted this Policy for determining Materiality for Disclosures (the "Policy") at its meeting held on January 29, 2016 to enable prompt disclosure of material events or information ("Material Information") to the Stock Exchanges.

1.2 The Policy sets out the guidelines for identification of such Material Information which is deemed to be material in the opinion of the Board of Directors.

2. **Authorised Persons**

2.1 In terms of Regulation 30(5), the Board of Directors have authorised the Key Managerial Personnel of the Company i.e. the Managing Director, the Chief Financial Officer and the Company Secretary as the "Authorised Persons" for the purpose of determining materiality of an event or information as per the guidelines contained under this Policy and making disclosure to the stock exchanges..

2.2 The role and responsibility of the Authorised Persons shall be -

2.2.1 To review and assess the materiality of an event that may qualify as 'material' and may require disclosure, on the basis of prevailing facts and circumstances. The disclosure shall be finalised in consultation with the Managing Director and in his absence, the Chief Financial Officer.

2.2.2 To make required disclosures to the stock exchanges within the stipulated time of actual occurrence of an event or information, after ascertaining the facts.

2.2.3 To disclose material developments with relevant explanation on a regular basis, till such time the event or transaction is resolved/closed.

2.2.4 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 Regulations or **Enclosure A** to this Policy and determine the materiality, appropriate time and contents of disclosure for such matters.

2.2.5 To disclose material events or information with respect to the subsidiaries of the Company.

3. **Deemed material events or information**

3.1 Events or information specified in Para A of Part A of Schedule III of the Regulations (as may be amended from time to time) will be disclosed notwithstanding application of any quantitative or qualitative materiality thresholds as these are "deemed" to be material.

4. **Guidelines for assessment of materiality**

4.1 The events or information specified in Para B of Part A of Schedule III of the Regulations will be disclosed based on application of materiality criteria, as per **Enclosure A**.

4.2 Materiality must be determined on a case to case basis considering the material facts and the circumstances pertaining to the information or event. The same would be determined based on the qualitative judgement to be exercised by the Authorised Persons.

4.3 The following criteria will be applicable for determination of materiality of event or information:

4.3.1 the omission of an event or information which is likely to :

- result in a discontinuity or alteration of an event already available publicly; or
- result in significant market reaction if the said omission came to light at a later date;

4.3.2 Any event or information having a significant risk to the reputation of the Company.

4.3.3 In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed though not required to be statutorily intimated.

4.4 The quantitative criteria as indicated in **Enclosure A**, shall apply to events specified in Para B of Part A of Schedule III of the Regulations only and shall be used as a guiding principle for determining materiality and arriving at the overall decision on the event to be reported by the Authorized Persons .

4.5 Only such impact which is direct, reasonably quantifiable & perceivable and not remote, shall be considered.

4.6 In addition to the quantitative criteria set forth in Enclosure A, the Authorized Persons may apply qualitative criteria for assessment of an event/ information to be material where the quantitative criteria cannot be reasonably ascertained or applied.

5. **Policy limitation & review**

5.1 In the event of any conflict between the provisions of this Policy and the Regulations and or the Companies Act, 2013 or any other statutory enactments, rules, thereto (the Law), the Law shall prevail over this Policy. The Board of Directors has the authority to review and revise this policy from time to time.

6. **Effective date**

6.1 The effective date of the Policy is January 29, 2016.

7. **Disclosure on website**

- 7.1 As required under the SEBI Regulations, the Policy will be disclosed on the website of the Company www.thermaxglobal.com
- 7.2 The Company will disclose on its website all disclosures made to the stock exchanges pursuant to the Regulations and this policy and such disclosure shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

Enclosure A

**Events which shall be disclosed upon application of the guidelines for
Materiality referred sub-regulation (4) of Regulation (30)**

| Sl. No. | Particulars | Thresholds |
|----------------|--|---|
| 1 | Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division | Likely to have an impact of Rs. 250 crores or more on consolidated turnover. |
| 2 | Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal). | Likely to have an impact of Rs. 250 Crores or more on consolidated turnover. |
| 3 | Capacity addition or product launch. | Likely to have an impact of Rs. 250 Crores or more on consolidated turnover. |
| 4 | Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business. | Likely to have an impact of Rs. 250 Crores or more on consolidated turnover. |
| 5 | Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof. | Agreements for long term loans exceeding Rs. 500 crores with a tenure exceeding 3 years (excluding working capital facilities and other short term borrowings). Agreements whose value/ consideration exceeds Rs. 500 crores |
| 6 | 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. | Likely to have an impact of Rs. 250 crores or more on consolidated turnover. |
| 7 | Effect(s) arising out of change in the regulatory framework applicable to the listed entity | Likely to have an impact of Rs. 250 crores or more on consolidated turnover. |
| 8 | Litigation(s) / dispute(s) / regulatory action(s) with impact. | Outcome of litigation(s)/ dispute(s)/ regulatory action(s) likely to have an impact of not less than Rs. 100 crores on consolidated Profit before Tax. |
| 9 | Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity. | All frauds committed by directors & KMPs. Frauds exceeding Rs. 1 crore committed by employees. |

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| 10 | Options to purchase securities including any ESOP/ESPS Scheme. | Any issue of option by the Company |
| 11 | Giving of guarantees or indemnity or becoming a surety for any third party. | Giving Guarantees or indemnity or becoming surety for any third party (excluding subsidiaries, associates and joint ventures, whose accounts are consolidated with the Company) for an amount exceeding Rs. 500 Crores. |
| 12 | Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals. | Likely to have an impact of Rs. 250 crores or more on consolidated turnover.. |

For the purpose of this Enclosure :

- i) The consolidated turnover/ Profit before Tax shall be the consolidated turnover, Profit before Tax respectively for the immediately preceding financial year.
- ii) The Company will initiate appropriate action in all cases of fraud.
