

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 finalized 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

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 mentioned below in point 4.4 and within such timelines as mentioned in the Regulations.

4.2 Whenever any employee becomes aware of any event or information listed in Enclosure A they shall report the same to any of the authorized persons identified in clause 2 who shall verify whether such event or information is potentially material requiring to be disclosed to the stock exchange.

4.3 Materiality must be determined on a case-to-case basis considering the material facts and the circumstances pertaining to the information or event by application of the qualitative judgement of the Authorised Persons. They shall be responsible for ensuring that the stock exchange is informed.

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

4.4.1 the omission of publicly intimating an event or information which is likely to:

- a. result in a discontinuity or material alteration of an event already known publicly; or
- b. result in significant market reaction if the said omission came to light at a later date;
- c. *An event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

1. two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company; (*Rs. 161.79 crores for FY 2023-24*)
2. two percent (2%) of net worth, if positive, as per the last audited consolidated financial statements of the Company. (*Rs. 77.35 crores for FY 2023-24*)
3. five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company. (*Rs. 16.14 crores for FY 2023-24*)

**The thresholds will be updated in the policy every year after the approval of Financial Statements.*

- d. 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 Company, the event or information is considered material.

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

4.5 List of events / information which shall be disclosed to the stock exchanges on application of guidelines of materiality given above is attached as Enclosure A.

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

5. **Policy limitation & review**

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 and rules thereto (the Law), the Law shall prevail. The Board of Directors has the authority to review and revise this policy from time to time.

6. **Effective date**

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.

Amendments:

- 1st Amendment: May 17, 2023, with the approval of the Board of Directors
- 2nd Amendment: Aug 1, 2023, with the approval of the Board of Directors

Enclosure A

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

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) 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.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

7. Effect(s) arising out of change in the regulatory framework applicable to the Company
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
14. 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 securities holder of the Company to appraise its position and to avoid the establishment of a false market in the securities of the Company.
15. Any other events as may be required to be disclosed under the Regulations by way of amendments from time to time.