

POLICY FOR DETERMINATION OF MATERIALITY
[Pursuant to Regulation 30 (4) (ii) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

POWER MECH PROJECTS LIMITED

AN ISO 14001:2015, ISO 9001:2015 & ISO 45001:2018 CERTIFIED COMPANY



JAS-ANZ



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1. Introduction and Legal Framework:

The requirements under the Regulation 30 and other applicable regulations, if any, under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), and other relevant rules and statutes including circulars, clarifications, guidelines or other relevant regulatory guidance (hereinafter referred to as the "Applicable Laws") have been considered while drafting this Policy for determining Materiality for Disclosures.

The Policy applies in respect of disclosure of material events in relation to Power Mech Projects Limited, its Subsidiaries, Directors, Promoters, Key Managerial Personnel, Senior Management Personnel as required under Applicable Laws.

2. Objective:

The objective of this policy is to assist employees and designated officials in identifying material events or information that may arise and ensuring its timely escalation and disclosure to stock exchanges. The policy aims to ensure that the Company adheres to the SEBI regulations while safeguarding stakeholders' interests and maintaining transparency.

3. Definitions:

a) "**Material Event**" or "**Material Information**" shall mean such event or information as specified under Regulation 30 read with Schedule III Part A of the Regulations. Any other term not defined herein shall have the same meaning as defined in the Regulations or any other applicable laws or regulations as amended from time to time.

Other Terms: Any other term not defined herein shall have the same meaning as defined in the Act and/or the Regulations or any other applicable laws or regulations as amended from time to time.

4. Criteria for determining materiality of Events or Information:

The Company shall consider the following criteria for determination of materiality of events/ information:

- 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;
- 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. 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
- ii. 2% 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. 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;

However, the regular contract orders received by the Company in the ordinary course of business are not considered material events/information, as they form part of its routine operations involving the execution of various turnkey projects on a contractual basis.

- d. Events that are deemed to be material in the opinion of the Board of Directors.

5. Materiality Assessment:

Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the information /event. The approach for determining materiality will be both qualitative and quantitative criteria, which are outlined in this policy.

Examples of information /event that would normally be regarded as "material information /event" include the following, although the list is not exhaustive:

- Financial performance, financial condition, projections or forecasts;
- Known but unannounced future earnings or losses;
- Significant corporate events, such as a pending or proposed acquisition or joint venture;
- Plans to launch new products or product defects that have significant impact;
- Significant developments involving business relationships with customers, suppliers or other business partners;
- Changes in auditors as per statutory requirement or otherwise;
- Events regarding the Company's securities (such as repurchase plans, stock splits or dividends, changes to the rights of security holders, public or private sales of additional securities or information related to any additional funding);
- Bankruptcies, receiverships or financial liquidity problems;
- Positive or negative developments in outstanding litigation, investigations or regulatory matters with significant impact on financial results;
- Any changes to the Company's Board of Directors or key managerial personnel and key agreements with them; or
- Any significant changes to the Company's capital structure

For the avoidance of doubt, events listed in Para A – Part A of Schedule III of Listing Regulations shall be disclosed to the stock exchanges from time to time without application of the criteria listed above.

For the purpose of assessing whether a particular event/ transaction is “material” the following information will also be considered, although the list is not exhaustive:

- The consideration involved in the transaction as a percentage of the Company’s annual revenue;
- The consideration involved in the transaction as a percentage of the Company’s fixed assets and as a percentage of the Company’s total assets;
- Whether the transaction is in the ordinary course of business;
- Whether a related party is involved in the transaction;
- Whether the transaction is an exit from, or entry into, a significant line of business;
- Other quantitative factors relevant to a transaction.

For the avoidance of doubt, events listed in Para B – Part A of Schedule III of Listing Regulations shall be disclosed to the stock exchanges upon application of the guidelines for materiality as per Regulation 30(4) of the Regulations.

In case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.

6. Authorization to KMPs:

The following KMPs of the Company are hereby authorized for the purpose of determining materiality of an event or information, evaluating whether an event/ information requires Stock Exchange disclosures, and for the purpose of making disclosures to the Stock Exchanges within the applicable timelines (“Authorized Person(s)“):

1. Managing Director
2. Chief Financial Officer
3. Company Secretary and Compliance Officer

The Company Secretary will be the custodian of the disclosure process and the single point of contact for the above signatories who are authorized to determine materiality and make distributions covered by this Policy and will be the custodian of the disclosure process.

7. Amendments:

This policy may be amended from time to time by the Board of Directors in line with applicable laws and regulations.
