

Policy for determining Materiality for Disclosures
[Pursuant to Regulation 30 of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Regulatory Framework

1.1 The Securities and Exchange Board of India ('SEBI'), *vide* its Notification dated September 2, 2015, has issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the 'Listing Regulations') came into effect from December 1, 2015, and which have been amended from time to time. Regulation 30 of the Listing Regulation mandates every listed entity to frame a policy for determination of materiality. Accordingly, this policy is framed as per the requirements of the Listing Regulations.

1.2 The Company has to make disclosures in two scenarios namely disclosure with application of materiality ('DWAM') and disclosures without application of materiality ('DIWAM'). In the latter circumstance, the Company has to make disclosure of events based on application of the guidelines for materiality, as specified in the Listing Regulations.

2. Objective

2.1 To comply with the provisions of the Listing Regulations, as amended from time to time.

2.2 To lay the principles for determining materiality of events/information which require disclosure to the Stock Exchanges where the specified securities of the Company are listed.

2.3. To lay the principles for making timely and adequate disclosure of material events/ information so as to enable the investors to take well informed decisions.

2.4. To ensure uniformity in the Company's approach towards making disclosures of materiality of events/information.

3. Relevant Employees

3.1 'Relevant Employees' shall mean and include -

- Senior Management Personnel as may be decided by the Board;
- Such persons as may be identified by the CEO & Managing Director and the Chief Financial Officer, from time to time.

4. Authorised Key Managerial Personnel

4.1 Pursuant to Regulation 30(5), the Board of Directors have authorised Key Managerial Personnel of the Company ('KMP') who presently are the CEO & Managing Director, the Chief Financial Officer and the Company Secretary ('Authorised KMP'), for the purpose of determining materiality of an event or information and making disclosure to stock exchanges. The materiality of the event or information will be decided in consultation with Business Heads, Plant Heads, Project Heads and Senior Management Personnel or persons connected with the event or information.

4.2 The Authorised KMP shall have the following powers and responsibilities for determining material events or information within the Company:

4.2.1 To review and assess the materiality of an event that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at that point in time. The disclosure shall be finalised in consultation with the CEO & Managing Director and in his absence, the Chief Financial Officer. For this purpose, the relevant details of event or information shall be sent to the Authorised KMP promptly or as soon as practicable to enable its disclosure to the stock exchanges within the stipulated timelines.

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

- 4.2.3 To disclose material developments on a regular basis, till such time the event or transaction is resolved/closed, with relevant explanations.
- 4.2.4 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 Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- 4.2.5 To disclose material events or information with respect to the subsidiaries of the Company.
- 4.2.6 Any decision taken by Authorised KMP shall be valid and binding on the Company and contact details of such Authorised KMP shall be disclosed to the stock exchange and also be placed on the Company's website.

5. **Deemed material events or information**

5.1 Events or information specified in Para A of Part A of Schedule III of the Listing Regulations are required to be disclosed irrespective of application of any quantitative or qualitative materiality thresholds as these are "deemed" to be material. The applicable events (also referred to as "deemed disclosures") are given in Annexure-1.

6. **Guidelines for materiality assessment**

6.1 The events or information specified in Para B of Part A of Schedule III of the Listing Regulations, which will be disclosed based on application of materiality criteria, are given in *Annexure-2*.

6.2 Materiality must be determined on a case to case basis depending on the material facts and the circumstances pertaining to the information or event and would be determined based on the qualitative judgement to be exercised by the Authorised KMP.

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

6.3.1 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;

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

6.3.3 the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
- 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;
- five percent 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.

6.3.4 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.

6.4 The quantitative criteria as indicated in *Annexure-2*, shall apply to events specified in Para B of Part A of Schedule III of the Listing Regulations only and shall be used as a yardstick or reference for determining materiality and arriving at the overall decision on the event to be reported by the Company Secretary.

6.5 Only such impact which is direct, reasonably perceivable and not remote, quantifiable and having a short term horizon of 1-2 years, shall be considered.

6.6 Notwithstanding anything stated in *Annexure-2*, the Authorized KMP may apply qualitative criteria for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably.

7. **Disclosure of events/ information to stock exchanges**

7.1 Any event or information falling under Regulation 30 of Listing Regulations (as per Annexures 1 and 2) shall be informed to the Authorised KMP promptly upon occurrence, with adequate supporting

data/information, to facilitate a prompt and appropriate disclosure to the stock exchange.

7.2 The Company shall disclose all events or information which are material in accordance with the Policy as soon as reasonably possible and in any case not later than the following:

- thirty 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;
- twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity.

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

7.4 In case the disclosure is made after the timelines specified above of the occurrence of such event/information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

7.5 Any other event, even if not covered under the Listing Regulations but is potentially of price sensitive nature, must also be informed for further evaluation, to the Authorised KMP.

7.6 The Authorised KMP will ascertain the materiality of events or information considering their nature and relevant impact in terms of discontinuity of market information and significant market reaction in case of omission. The respective departments shall assist the Authorised KMP in this assessment.

7.7 After evaluation, the Authorised KMP shall issue a suitable disclosure to the Stock Exchanges in consultation with the CEO & Managing Director and in his absence, Chief Financial Officer, pursuant to Regulation 30 of the Listing Regulations.

7.8 The Company shall disclose to the stock exchange(s) material updates on the events/information disclosed under this Policy till such time the event is resolved/closed, with relevant explanations.

8. **Policy review**

8.1 In case of any subsequent changes in the provisions of the Listing Regulations or any other regulations which makes any of the Clauses/provisions in the Policy inconsistent with the Regulations, the provisions of the Listing Regulations would prevail over the Policy and the Clauses/provisions in the Policy would be deemed to be modified accordingly. The Board also, at its discretion, has the power to review and revise the Policy.

9. **Effective date**

9.1 This amended Policy shall be effective from July 14, 2023.

10. **Disclosure on website**

10.1 As required under the SEBI Listing Regulations, the Policy will be disclosed on the website of the Company www.tatapower.com.

10.2 Further, the Company shall disclose on its website all such events or information which have been disclosed to the stock exchange(s) under these Listing Regulations 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. Any change in the content of its website shall be updated within two working days from the date of such change in content.

11. **Contact details**

11.1 Any questions or clarifications about the policy or disclosures made by the Company should be

referred to the Company Secretary, who is in charge of administering, enforcing and updating this policy:

Vispi S. Patel
Company Secretary
The Tata Power Company Limited
Bombay House,
24, Homi Mody Street,
Mumbai 400 001,
Tel: 022 6665 7500
Email: vispi.patel@tatapower.com



Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation (30)

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-para, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company, or
 - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of Regulation 30.

Explanation (2) - For the purpose of this sub-paragraph, "sale or disposal of subsidiary" and "sale of stake in associate company" shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3) - For the purpose of this sub-paragraph, "undertaking" and "substantially the whole of the undertaking" shall have the same meaning as given under section 180 of the Companies Act, 2013.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. New Rating(s) or Revision in Rating(s).

Explanation: The above requirement to disclose rating shall also be applicable to the following:

- a) Revision in rating even if it was not requested for by the listed entity or the request was later withdrawn by the listed entity.
- b) Revision in rating outlook even without revision in rating score.
- c) ESG ratings by registered ESG Rating Providers

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - b) any cancellation of dividend with reasons thereof;
 - c) the decision on buyback of securities;
 - d) the decision with respect to fund raising proposed to be undertaken



- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g) short particulars of any other alterations of capital, including calls;
- h) financial results;
- i) decision on voluntary delisting by the listed entity from stock exchange(s).

[Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.]

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation (1): For the purpose of this clause, the term "directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

6. Fraud/defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- (i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock



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exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

- 7B. Resignation of independent Director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- i. The letter of resignation along with Detailed reasons for the resignation as given by the said director.
 - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause above.
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (i) Decision to initiate resolution of loans/borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring
 - (vi) Plan as decided by lenders.
10. One time settlement with a bank.
11. Winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. (a) Schedule of Analyst or institutional investor meet. [at least two working days in advance (excluding the date of the intimation and the date of the meet)] and presentations made by the listed entity to analysts or institutional investors.
- Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
- (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:



- (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
16. Initiation of Forensic audit: In case of initiation of forensic audit (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- a) The fact of initiation of forensic audit alongwith name of entity initiating the audit and reasons for the same, if available;
 - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.
17. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
- Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
18. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) search or seizure; or
 - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
19. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) suspension;
 - (b) imposition of fine or penalty;
 - (c) settlement of proceedings;
 - (d) debarment;
 - (e) disqualification;
 - (f) closure of operations;
 - (g) sanctions imposed;
 - (h) warning or caution; or
 - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) initiated, taken or orders passed:
- i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

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20. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.



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

Following is the list of events / information to be disclosed to the stock exchange(s) based on Materiality guidelines:

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 listed entity:
 - 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 listed entity 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.”

Guidance on when an event/information has occurred

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.

2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions, etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

2.1. In the former, the events/ information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholders' approval.

2.2. In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.