

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. PREAMBLE

This Policy for Determination of Materiality of Events or Information ("Policy") has been formulated and adopted by the Board of Directors of Artificial Electronics Intelligent Material Limited ("Company") pursuant to Regulation 30(4)(ii) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations").

The Policy is intended to provide a framework for determining the materiality of events or information and ensuring timely, accurate, transparent and adequate disclosure of material events or information by the Company to BSE Limited ("BSE") and other recognised stock exchange(s), wherever applicable.

This Policy shall be read in conjunction with the SEBI LODR Regulations, the Companies Act, 2013, and other applicable laws, regulations, circulars and guidelines, as amended from time to time.

2. OBJECTIVE

The objectives of this Policy are to:

- a. establish a consistent and transparent framework for determining the materiality of events or information;
- b. ensure timely disclosure of material events or information to BSE and other recognised stock exchange(s), as applicable;
- c. ensure compliance with Regulation 30 and other applicable provisions of the SEBI LODR Regulations;
- d. facilitate identification and escalation of potential material events or information by the employees, management and officers of the Company;
- e. ensure that investors and other stakeholders receive adequate, accurate and timely information regarding material developments concerning the Company; and
- f. promote transparency, good corporate governance and protection of the interests of shareholders and other stakeholders.

3. DEFINITIONS

Unless the context otherwise requires:

3.1 "Act"

"Act" means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

3.2 "Board"

"Board" means the Board of Directors of the Company.

3.3 "Company" or "Listed Entity"

"Company" or "Listed Entity" means Artificial Electronics Intelligent Material Limited, whose securities are listed on the recognised stock exchange(s).

3.4 "Material Event" or "Material Information"

"Material Event" or "Material Information" means an event or information which is material in accordance with the criteria prescribed under this Policy and the applicable provisions of the SEBI LODR Regulations.

3.5 "SEBI"

"SEBI" means the Securities and Exchange Board of India.

3.6 "SEBI LODR Regulations"

"SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.7 "Key Managerial Personnel"

"Key Managerial Personnel" or "KMP" shall have the meaning assigned to it under the applicable provisions of the Companies Act, 2013 and SEBI LODR Regulations.

4. PRINCIPLES FOR DETERMINING MATERIALITY

The Company shall determine the materiality of an event or information in accordance with the applicable provisions of Regulation 30 of the SEBI LODR Regulations.

4.1 Events Deemed to be Material

Events or information specified in Para A of Part A of Schedule III of the SEBI LODR Regulations shall be deemed to be material and shall be disclosed to BSE and/or other recognised stock exchange(s), as applicable, within the timelines prescribed under the SEBI LODR Regulations.

4.2 Events Subject to Materiality Assessment

Events or information specified in Para B of Part A of Schedule III of the SEBI LODR Regulations shall be disclosed where they meet the materiality criteria prescribed under Regulation 30(4) and this Policy.

5. MATERIALITY CRITERIA

An event or information shall be considered material if it satisfies any of the following criteria:

5.1 Discontinuity or Alteration

The omission of the event or information is likely to result in discontinuity or alteration of an event or information already available publicly.

5.2 Significant Market Reaction

The omission of the event or information is likely to result in significant market reaction if the said omission comes to light at a later date.

5.3 Quantitative Materiality Threshold

Where the above criteria are not applicable, an event or information shall be considered material if the value involved or the expected impact in terms of value exceeds the lower of:

- a.** 2% of the turnover, as per the last audited consolidated financial statements of the Company;
- b.** 2% of the net worth, as per the last audited consolidated financial statements of the Company, except where the arithmetic value of the net worth is negative; or
- c.** 5% of the average of the absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

5.4 Board's Determination

Where the above criteria are not applicable, an event or information may nevertheless be treated as material if, in the opinion of the Board of Directors, such event or information is considered material.

While determining materiality, the Company may consider, inter alia:

- financial impact;
- operational impact;
- strategic significance;
- regulatory implications;
- reputational impact;

- impact on investors and shareholders;
 - impact on the Company's business or operations;
 - impact on the Company's financial position; and
 - any other factor considered relevant in the circumstances.
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6. EVENTS RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Any event or information relating to a subsidiary, associate or joint venture of the Company shall be evaluated to determine whether such event or information is material to the Company and requires disclosure under the SEBI LODR Regulations.

The assessment shall take into consideration the financial, operational, strategic, regulatory and reputational impact of such event or information on the Company.

Where disclosure is required, the Company shall make the requisite disclosure to BSE and/or other recognised stock exchange(s) within the applicable timelines.

7. CONTINUING EVENTS OR INFORMATION

Where an event or information is continuing in nature, the Company shall make appropriate updates and disclosures as may be required under the SEBI LODR Regulations.

Any material development, change or update relating to a previously disclosed event or information shall be evaluated and disclosed to BSE and/or other recognised stock exchange(s), wherever required.

8. EVENTS ARISING FROM BUSINESS OPERATIONS

The Company shall establish appropriate internal mechanisms to ensure that potential material events or information arising from its business operations, subsidiaries, departments, functions or other sources are promptly identified and reported to the authorised Key Managerial Personnel.

Employees and senior management shall promptly escalate any event or information which may reasonably be considered material or may require assessment under this Policy.

The assessment of materiality shall not be delayed merely because complete information or the final financial impact is not immediately available. Where appropriate, the Company may make disclosure based on the best available information or reasonable estimate and subsequently provide updates as required.

9. AUTHORISED PERSONS

The Board of Directors shall authorise one or more Key Managerial Personnel to determine the materiality of an event or information and to make disclosures to the stock exchange(s) under Regulation 30 of the SEBI LODR Regulations.

The details of the authorised persons, including their designation and contact details, shall be disclosed on the Company's website and to the stock exchange(s), as required under applicable law.

Authorised Persons:

S. No.	Name	Designation	Email-ID
1	Ms. Uma Nandam	Whole Time Director	cos@software13.in
2	Mr. Eswara Rao Nandam	Director	nandamrao@aeim.co
3	Mr. Vishaal Nandam	Director	vishaal@aeim.co
4	Mr. Girija Sankar Tripathy	Chief Financial Officer	tripathygs@aeim.co
5	Ms. Chayonika Paloi	Company Secretary & Compliance Officer	cos@aeim.co

The authorised persons shall have the authority to seek information, clarification or assistance from the relevant departments, officers, advisors or professionals of the Company for determining materiality and making appropriate disclosures.

10. DISCLOSURE TO STOCK EXCHANGES

The Company shall disclose material events or information to BSE and/or other recognised stock exchange(s), as applicable, within the timelines prescribed under Regulation 30 and Schedule III of the SEBI LODR Regulations.

The disclosures shall be:

- accurate and factual;
- clear and unambiguous;
- fair and balanced;
- adequate to enable investors to understand the nature and significance of the event or information; and

- made in accordance with applicable regulatory requirements.

The Company shall ensure that material information is first disclosed to the stock exchange(s), wherever required, before or simultaneously with its dissemination through other channels.

11. RUMOURS AND MARKET INFORMATION

The Company shall deal with rumours, market speculation and information circulating in the public domain in accordance with the applicable provisions of the SEBI LODR Regulations and SEBI circulars, directions and guidelines.

Where the Company is required to confirm, deny or clarify any reported information or rumour, the same shall be undertaken by the authorised persons in accordance with applicable regulatory requirements.

12. CONFIDENTIALITY AND PREVENTION OF UNAUTHORISED DISCLOSURE

Until material information is disclosed to the stock exchange(s), Directors, KMPs, Senior Management Personnel and employees shall maintain confidentiality of such information and shall not disclose or communicate such information to any unauthorised person.

The Company shall take appropriate measures to prevent selective disclosure of material non-public information.

13. REVIEW OF MATERIALITY

The materiality of an event or information may be reassessed where there is a change in circumstances, financial impact, strategic significance or other relevant factors.

Where an event initially assessed as non-material subsequently becomes material, the Company shall make the requisite disclosure in accordance with the applicable regulatory requirements.

14. NON-DILUTION OF REGULATORY REQUIREMENTS

Nothing contained in this Policy shall be construed as limiting, restricting or diluting any disclosure requirement prescribed under the SEBI LODR Regulations or any other applicable law.

In the event of any inconsistency between this Policy and applicable statutory or regulatory provisions, the provisions of such applicable law or regulation shall prevail.

15. RESPONSIBILITY

The Board of Directors shall have overall responsibility for ensuring compliance with this Policy.

The authorised KMPs shall be responsible for determining materiality and making disclosures to BSE and/or recognised stock exchange(s), in accordance with the authority delegated by the Board.

All Directors, KMPs, Senior Management Personnel and relevant employees shall cooperate in identifying and promptly escalating potential material events or information.

16. AMENDMENT

The Board of Directors may amend, modify, review or revise this Policy from time to time to ensure compliance with changes in applicable laws, regulations, circulars, guidelines or other regulatory requirements.

Any amendment to this Policy shall be approved by the Board of Directors or such committee/authority as may be authorised by the Board, in accordance with applicable law.

17. WEBSITE DISCLOSURE

The Company shall disclose material events or information on its website in accordance with the applicable provisions of the SEBI LODR Regulations.

The disclosures shall remain hosted on the Company's website for the period prescribed under applicable law.

The Company shall ensure that the contents of its website are accurate and shall update any change in the content within the timeline prescribed under the SEBI LODR Regulations.
