



21-D1.,Peenya Industrial Area,2nd Phase,Bangalore-560 058.

Tel: 022 – 49745871 info@electrexindia.com www.electrexindia.com

CIN : L00363KA1982PLC005084

POLICY ON DETERMINATION OF MATERIAL EVENTS/ INFORMATION

1. SCOPE AND PURPOSE

Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter referred as “Regulations”) requires every listed entity to frame a policy for determination of materiality of events or information, duly approved by the Board of Directors for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

2. APPLICABILITY

This policy shall be applicable to all the events or information of the Company, as and when they fall under the criteria enumerated in the policy.

3. DEFINITIONS

“Board” shall mean the Board of Directors of the Company. “Company” shall mean Electrex (India) Limited.

“Key managerial personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

“Policy” or “This Policy” means, “Policy on Determination of material events/information”.

"Stock exchange" means the stock exchanges where the securities of the Company are listed.

“Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. KEY PRINCIPLES IN DETERMINING MATERIALITY

Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 divide the events or information that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Regulations. Para B of Part A of Schedule III indicates the events or information that should be disclosed by the listed entity, if considered material.

A. EVENTS WHICH SHALL BE CONSIDERED MATERIAL

These are the events that have to be necessarily disclosed without applying any test of materiality:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;

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. Revision in Rating(s);
4. Outcome of Meetings of the Board of the Company held to consider the following:
 - a. declaration of 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 Company from stock exchange(s).
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 Company), 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;
6. Fraud/defaults by promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or promoter;
7. Change in Directors, Key Managerial Personnel, Auditor and Compliance Officer;
8. Appointment or discontinuation of share transfer agent;
9. Corporate debt restructuring;
10. One time settlement with a bank;
11. Reference to BIFR and 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 Company;
13. Proceedings of Annual and extraordinary general meetings of the Company;
14. Amendments to memorandum and articles of association of Company, in brief;
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

B. THE FOLLOWING EVENTS SHALL BE CONSIDERED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES MENTIONED IN CLAUSE (C) BELOW

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
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);
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) (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;
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. Litigation(s)/dispute(s)/regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. THE EVENTS/INFORMATION AS ENUMERATED IN CLAUSE (B) ABOVE SHALL BE CONSIDERED MATERIAL ONLY ON APPLICATION OF THE FOLLOWING GUIDELINES

1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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; or
3. In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event or information is considered material.

D. ANY OTHER EVENTS/INFORMATION VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS

The Company shall disclose major developments that are 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 holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

5. ADMINISTRATIVE MEASURES

Unless otherwise decided by the Board of Directors, Manager & Chief Executive Officer, Chief Financial Officer and Company Secretary for the time being of the Company shall be severally authorized for the purpose of determining materiality of an event or information as enumerated in sub-clauses B and D of Clause 4 on the basis of guidelines mentioned in sub-clause C of Clause 4 of the Policy and making disclosures to the stock exchange.

Details of above KMPs shall be disclosed to the stock exchange and as well as on Company's website.

6. INTERPRETATION

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the law, rule, regulation or standard.

7. GUIDANCE ON WHEN AN EVENTS/INFORMATION IS DEEMED TO BE OCCURRED

1. The events or information shall be said to have occurred upon receipt of approval of Board of Directors and in certain events or information after receipt of approval of both i.e. Board of Directors and Shareholders, as the case may be;
2. The events/ information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board of Directors, pending Shareholder's approval;
3. In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has,

or ought to have reasonably come into possession of the information in the course of the performance of his duties;

Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Manager & Chief Executive Officer/Chief Financial Officer/Company Secretary on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event or information, even if not covered under the Policy but is potentially of price sensitive nature, must also be informed, for further evaluation and disclosure, if required.

8. DISCLOSURE

Manager & Chief Executive Officer, Chief Financial Officer and Company Secretary shall observe the following for proper and timely disclosure of any material events or information:

1. For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
2. Disclosure of the events or information enumerated in Clause 4(A)(4) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events or information were considered and decided.
3. All other events mentioned under Clause 4(A) and (B) above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
4. The details with regard to any fraud/default by Directors, Promoter or KMP or by the Company or arrest of any Promoter or KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/arrest.
5. Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/closed.
6. The disclosure shall be made with respect to any litigation assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the Company, the outcome of which can reasonably be expected to have an impact.
7. All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the website of the Company and the same shall be hosted for a minimum period of five years and thereafter as per Archival Policy of the Company.
8. Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information:
9. Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
10. In case where an event occurs or an information is available with the Company, which has not been indicated above, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

9. AMENDMENT

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy.

