



# Policy on Determination of Materiality

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## 1. LEGAL FRAMEWORK:

In terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**” or “**Regulations**”) read with SEBI’s Circular bearing reference CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015, the listed entity is required to frame a policy for determination of materiality, based on criteria specified in the Regulation, also in the opinion of the Board of Directors that it is material, approved and adopted by its board of directors, which shall be disclosed on its website; and also requires to authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information for the purpose of making disclosure to stock exchange(s).

In view of the above, the Board of Directors (the “**Board**”) of Electrotherm (India) Limited (the “**Company**”) has adopted this Policy for determination of material events and information (“**Material Information**”) to be disclosed to the Stock Exchanges under applicable SEBI regulations.

## 2. OBJECTIVE:

To determine the events and information, which in the opinion of the Board are Material and needs to be disclosed to the Stock Exchanges as per the time span hereinafter defined.

## 3. APPLICABILITY:

This Policy will be applicable to the Company in terms of Clause 30 of Chapter IV of Listing Regulations.

## 4. DEFINITIONS:

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/ issued there under, as amended, from time to time.

- i. “**Act**” means the Companies Act, 2013, Rules framed there under as amended from time to time

- ii. **“Board”** or **“Board of Directors”** or means the Board of Directors of Electrotherm (India) Limited, as may be re-constituted from time to time.
- iii. **“Company”** means Electrotherm (India) Limited
- iv. **“Key Managerial Person”** or **“KMP”** shall have same meaning as defined under the Act.
- v. **“Listing Regulations”** or **“Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. **“Material Information/event”** shall mean information/events as mentioned under clause 5 of this Policy.
- vii. **“Policy”** means “Policy on Determination of Materiality”.

## 5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION AND TIME PERIOD FOR DISCLOSURE:

The Board shall, as per the guidelines prescribed in Regulation 30 read with Schedule III of the Listing Regulations, make disclosures of any events or information which, in the opinion of the Board, are Material or events or information which may affect the performance or the share price of the Company, to the Stock Exchanges within the time limit as prescribed herein below:

### A. Material Events which shall be disclosed to the Stock Exchanges within 30 minutes from the closure of the meeting of the Board:

- 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 Company from stock exchange(s).

**B. Material Events to be disclosed to the Stock Exchanges within 24 hours from the occurrence of event or information without any application of the guidelines for Materiality:**

Provided that in case the disclosure is made after 24 hours of occurrence of the event/information, the Company shall, along with such disclosures, provide explanation for delay.

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.

Explanation: 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 company holds shares or voting rights aggregating to five percent 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-regulation (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.
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. Shareholder agreement, Joint Venture agreement, Family settlement agreement (to the extent that it impacts management and control of the Company), agreement / treaty / contract with media companies which are binding and not in the normal course of business revision(s) or amendment(s) and termination thereof.
  5. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.
  6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Office , Company Secretary etc.), Auditor and Compliance Officer.
  7. Appointment or discontinuation of share transfer agent.

- (i) In case of resignation of the Auditor of the Company, detailed reasons for resignation of Auditor, as given by the said Auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the Auditor. Resignation of Auditor including reasons for resignation
  - (ii) In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company
    - (a) Detailed reasons for the resignation of Independent Directors as given by the said Director shall be disclosed by the Company to the stock exchanges.
    - (b) The Independent Director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
    - (c) The confirmation as provided by the Independent Director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above
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 the 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.
  16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
    - a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
    - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
    - c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
    - d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;

- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- m) Any other material information not involving commercial secrets.

**C. Other Events which shall be disclosed to the Stock Exchanges upon applicability of criteria specified in Clause V of this Policy The event/information shall be disclosed to the Stock Exchanges as soon as reasonably possible and not later than 24 hours:**

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 warded/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 the 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.
13. 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 holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

In case the materially threshold indicated above cannot be applied to a particular event / information, the Company will disclose such event / information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. the omission of an event or information, which is likely to result in significant market reaction if the said omission came to light at a later date;
- iii. In case where the criteria of an event / information does not fall in the point A and B of the above, but still in the opinion of the Board of Directors are considered material.

## **6. CONTINUOUS DISCLOSURES:**

The Company will, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved or closed, with relevant explanations.

## **7. AUTHORISATION TO DETERMINE MATERIAL EVENT AND TO DISCLOSE TO STOCK EXCHANGE(S):**

The Board will authorize one or more Key Managerial Personnel for the purpose of determining Materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges.

The Key Managerial Personnel, authorized for the purpose, will be responsible for administering this Policy, determining the materiality of events or information in relation to the Company and monitoring compliance by the Company with disclosure obligations applicable to it.



The contact details of the Key Managerial Personnel, so authorized, will be disclosed to the Stock Exchanges and will be placed on the website of the Company.

## **8. DISCLOSURE OF EVENTS / INFORMATION OF SUBSIDIARIES:**

The KMPs of the company jointly and severally in consultation with the Board of Directors shall disclose such events / information about its subsidiary which are considered material in nature and whose disclosure is likely to materially affect the share prices of the Company

## **9. AMENDMENT :**

The Board reserves its right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or Applicable Law.

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