

Policy on Determination of Materiality of Events/information

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INDEX

Sr. No.	Particulars	Page no.
1	Legal Framework	03
2	Objective	03
3	Applicability	03
4	Definitions	03 - 04
5	Determination of Materiality, Reporting and Disclosure	04 - 06
6	Disclosure of Events / Information of Subsidiaries	06
7	Interpretation	06
8	Implementation	06
9	Policy Review	06

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 SEBI/HO/CFD-POD-1/P/CIR/2023/123 dated 13th July 2023, the listed entity is required to modify a Policy on Determination of Materiality of Events/information 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 on the Board Meeting held on 04th November, 2023 for determination of material events and information (“Material Information”) to be disclosed to the Stock Exchanges under applicable SEBI regulations Regulation 30 of the Securities and Exchange Board of India (‘SEBI’) (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing 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 Regulation 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”** 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) **“Authorised Key Managerial Personnel”** means Managing Director or Whole-time Director or Chief Financial Officer or Company Secretary & Compliance Officer of the Company, who are authorised, individually or jointly, for determining the materiality of an event or information that qualifies for disclosure and to decide the appropriate time and details of its disclosure to be made to the Stock Exchange(s).
- i) **“Listing Regulations” or “Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii) **“Material Information/event”** shall mean information/events as mentioned under clause 5 of this Policy.
- iii) **“Net worth”** means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013
- iv) **“Policy”** means “Policy on Determination of Materiality of event/information”.
- v) **"Promoter" and "Promoter Group"** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- vi) **“Subsidiary”** means a subsidiary as defined under sub section (87) of Section 2 of the Companies Act, 2013.
- vii) **“Turnover”** means turnover as defined in sub-section (91) of section 2 of the Companies Act, 2013.

5. DETERMINATION OF MATERIALITY, REPORTING AND DISCLOSURE:

5.1 In order to determine whether a particular event/information is material in nature for disclosure to the stock exchanges, the Company shall consider the criteria(s) specified below:

- 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; or
- c) the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e.
 - i. two percent of turnover, as per the last audited consolidated financial statements of the Company; or
 - ii. two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the Company;
 - iii. 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 Company.

Accordingly, any transaction exceeding the lower of (i), (ii) or (iii) above, with an annual impact in value, will be considered for the above purpose.

- d) In case where the criteria specified in sub-clauses (a), (b) and (c) above is not applicable, an event or information may be treated as being material if in the opinion of the Board or Authorised Key Managerial Personnel, the event or information is considered material;
- e) events or information which are deemed material without application of guidelines for materiality, as specified under the SEBI Listing Regulations (as amended from time to time).

5.2 For the avoidance of doubt, events listed in Para A – Part A of Schedule III of SEBI Listing Regulations shall be disclosed without application of materiality criteria defined in the SEBI Listing Regulations and events or information specified in Para B of Part A of Schedule III of SEBI Listing Regulations will be disclosed based on application of materiality criteria.

5.3 In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.



5.4 The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this Policy as soon as reasonably possible and in any case not later than the timelines prescribed under SEBI Listing Regulations.

6. 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.

7. INTERPRETATION:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the SEBI Listing Regulations and Companies Act, 2013 as amended from time to time.

8. IMPLEMENTATION:

The Compliance Officer of the Company shall have overall responsibility for implementing this Policy and shall take internal/external approvals, wherever necessary.

9. POLICY REVIEW:

This Policy shall be reviewed from time to time so that the Policy remains compliant with applicable legal requirements. Any subsequent amendment / modification in the SEBI Listing Regulations, Companies Act and/or applicable laws in this regard shall automatically apply to this Policy.

In case of any inconsistency between the contents of this Policy and provisions of SEBI Listing Regulations/Companies Act, the provisions of SEBI Listing Regulations/Companies Act shall prevail.

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