

ELPRO INTERNATIONAL LIMITED

POLICY FOR DETERMINING MATERIALITY OF EVENTS

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")

(This Policy has been updated vide Board Meeting of Elpro International Limited on November 1, 2023 based on the amendments made to Regulation 30 and Schedule III of the SEBI LODR Regulations and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023)

(This Policy has been further updated vide Board Meeting of Elpro International Limited on February 14, 2025 based on the amendments made to Regulation 30 vide SEBI (LODR) (Third Amendment) Regulations, 2024 notified on December 12, 2024)

**Regd. Office: Elpro International Limited, 'Nirmal', 17th Floor,
Nariman Point, Mumbai 400021**

Elpro International Limited

Policy on Criteria for Determining Materiality of Events

I. OBJECTIVE.

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

II. DEFINITION

“Act” shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

“Board of Directors” or **“Board”** means the Board of Directors of Elpro International Limited, as constituted from time to time.

“Company” means Elpro International Limited.

“Key Managerial Personnel” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“Listing agreement” shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015

“Material Event” or **“Material Information”** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“Material Subsidiary” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the SEBI LODR Regulations.

“Policy” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“Schedule” means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

III. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The Company shall disclose all such material events or information subject to application of guidelines for materiality, as set out under the SEBI LODR Regulations.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Quantitative criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- (b) 2% (two per cent) of consolidated net worth as per the last audited consolidated financial statements of the Company (except in case the arithmetic value of the net worth is negative)); or
- (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

Qualitative criteria would mean an event / information:

- (a) the event or information is in any manner unpublished price sensitive information;
- (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) 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; and
- (d) any other event/information which is treated as being material in the opinion of the Board of Directors of the Company.

IV. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION AND ITS TIMELY DISCLOSURE:

The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons not in the hands of the Company. It can be categorized as under:

- (a) depends upon the stage of discussion, negotiation or approval; and
- (b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under aforesaid point no. (a), the events / information can be said to have occurred upon receipt of approval of the 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 Shareholder's approval. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under aforesaid point no. (b), the events/information can be said to have occurred when the Company 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. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

V. DISCLOSURES OF EVENTS OR INFORMATION

(a) All events / information identified as material in line with the SEBI LODR Regulations and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

- (i) Thirty (30) 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.

Provided that in case the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three (3) hours from the closure of the Board Meeting.

Provided further that in case the meeting of the Board of Directors is being held for more than one day, the financial results shall be disclosed within thirty (30) minutes or three (3) hours, as applicable, from closure of such meeting for the day on which it has been considered.

Explanation:

Case 1:

If the Board Meeting concludes at 11:00 a.m. (i.e., any time before 03:30 p.m.) then the disclosure must be made by 11:30 a.m. on same day (i.e., within 30 minutes timeline).

Case 2:

If the Board Meeting concludes at 05:00 p.m. (i.e., any time after 03:30 p.m.) then the disclosure must be made by 08:00 p.m. on the same day (i.e., within 3 hours timeline)

Case 3:

If the Board meeting concludes the next day at 8:00 a.m., the disclosure must be made by 8:30 a.m. (within 30 minutes timeline since the Board Meeting concluded within 3 hours of the next day trading session)

Case 4:

If the Board meeting concludes the next day at 5:00 a.m., the disclosure must be made by 8:00 a.m. (within three hours timeline since the Board Meeting concluded before 3 hours of the next day trading session)

- (ii) twelve (12) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) Twelve (24) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company.

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two (72) hours of receipt of the notice by the Company.

- (b) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
- (c) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed.

VI. AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Managing Director, Chief Financial Officer or Company Secretary and Compliance Officer of the Company shall have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

VII. AMENDMENTS

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 the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

VIII. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

IX. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company's intranet.
