



Policy for Determining Materiality of Event / Information

(Approved by the Board of Directors in its meeting held on 12.02.2016)

LEEL Electricals Limited

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1. PREAMBLE:

In accordance with Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 (“Listing Regulations”), states that listed entities shall frame a policy for determination of materiality, based on criteria specified in the regulation, duly approved by its board of directors, which shall also be disclosed on its website. The regulation deals with the disclosure of material events and information by the listed entities which will enable the investors to take a well- informed investment decision.

The listing regulation defines materiality of events in broadly two categories i.e events that are deemed to be material events without applying the test of materiality and listed entities shall make disclosure of such events and events that are based on application of the guidelines of materiality.

2. OBJECTIVE:

In view of the Listing Regulations, the policy for determination of materiality has been formulated to determine the events and information, which, in the opinion of the Board are material and to ensure that such information or event is timely and adequately disseminated in public domain in pursuance to the provisions of the regulations.

3. DEFINITIONS:

1. **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
2. **“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modifications thereof.
3. **“Listing agreement”** shall mean an agreement entered between a recognised stock exchange and the Company pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
4. **“Stock Exchange”** means the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited.
5. **“Company”** shall mean LEEL Electricals Limited (Formerly Lloyd Electric & Engineering Limited).
6. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.

7. **“Key Managerial Personnel”** mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;
8. **“Compliance Officer”** for the purpose of complying with the provisions of listing regulations and this policy shall be the Company Secretary of the Company.
9. **“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 Regulations.
10. **“Policy”** means this policy on criteria for determining the materiality of information or events as may be amended from time to time.
11. **“Schedule”** shall mean Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modifications thereof.
12. **“Specified Securities”** means ‘equity shares’ and ‘convertible securities’ as defined under clause (zj) of sub-regulation (1) of regulation 2 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
13. **“Promoter & Promoter Group”** shall have the same meaning as assigned to them respectively in clauses (za) and (zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
14. **“Subsidiary”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

The words and phrases used in this policy which are not defined here shall derive their meaning from the applicable laws and regulations, as the case may be.

4. AUTHORITY FOR DISCLOSURE:

One or more Key Managerial Personnel(s) (KMPs) as may be authorised by Board of Directors of the Company from time to time will be the custodian of the disclosure of timely, adequate and appropriate information or events to the Stock Exchanges. The designated KMPs are also authorised to seek appropriate counsel or guidance, as and when necessary, internally or externally, while determining the materiality of an event.

The details of KMPs authorised for determining the materiality of an event / information shall be disclosed in the website of the Company.

5. CRITERIA FOR ASSESSING MATERIALITY:

The Board or the Key Managerial Personnel, so authorized by the Board for the purpose, shall consider the below mentioned criteria for determination of materiality of events / information to be disclosed:

- 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;
- c) 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 listed entity, the event / information is considered material.

6. TYPE OF DISCLOSURES:

The policy divides the disclosure of events broadly in the following categories:

- I. Events or information which are deemed to be material events and necessarily disclosed by the Company without applying the criteria for assessing materiality.
- II. Events or information to be disclosed, if considered material by the Board of Directors or KMPs of the Company.
- III. Events or information arising out of the outcome of the Board Meeting.
- IV. Other Disclosures.

A. EVENTS OR INFORMATION WHICH ARE DEEMED TO BE MATERIAL EVENTS AND NECESSARILY DISCLOSED BY THE COMPANY WITHOUT APPLYING THE CRITERIA FOR ASSESSING 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 listed entity or any other restructuring.

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 listed entity holds shares or voting rights aggregating to five per cent 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-clause (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. Agreements:
 - a. shareholder agreement(s),
 - b. joint venture agreement(s),
 - c. family settlement agreement(s) (to the extent that it impacts management and control of the listed entity),
 - d. 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.
5. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
7. Appointment or discontinuation of share transfer agent.
8. Corporate debt restructuring.
9. One time settlement with a bank.

10. Reference to BIFR and winding-up petition filed by any party / creditors.
11. 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 listed entity.
12. Proceedings of Annual and extraordinary general meetings of the listed entity.
13. Amendments to memorandum and articles of association of listed entity, in brief.
14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

B. EVENTS OR INFORMATION TO BE DISCLOSED, IF CONSIDERED MATERIAL BY THE BOARD OF DIRECTORS OF THE COMPANY.

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 listed entity 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 listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.

9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
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. EVENTS OR INFORMATION ARISING OUT OF THE OUTCOME OF THE BOARD MEETING.

The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

1. 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;
2. any cancellation of dividend with reasons thereof;
3. the decision on buyback of securities;
4. the decision with respect to fund raising proposed to be undertaken;
5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
6. 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;
7. short particulars of any other alterations of capital, including calls;
8. financial results;
9. decision on voluntary delisting by the listed entity from stock exchange(s).



D. OTHER DISCLOSURES.

The Company shall intimate any other information or event along with its brief details 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 any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

However, the Board of Directors may make disclosure of any event or information from time to time that may be deemed necessary.

E. CONTINUOUS DISCLOSURE

The Company shall disclose to the Stock Exchanges about all the material developments with regard to the events or information that are already intimated to the stock exchanges, till such time the event is resolved or closed.

F. HOSTING OF DISCLOSURES ON THE WEBSITE

The Company shall upload on its official website i.e www.leeleelectric.com all the events or information which has been disclosed to the Stock Exchanges under the provisions of Regulation 30 and this 'Policy' and such disclosures shall be hosted on the website of the Company for a minimum continuous period of five (5) years and after that disclosure of such information or events shall be archived as per the 'Archival Policy' of the Company.

Communication sent to the Stock Exchanges with regard to further developments on the events/information already disclosed, must be updated on the Company's website simultaneously, but not later than 2 working days from the date of such intimation or disclosure to the Stock Exchanges.

The details of the policy shall be hosted on the website of the Company.

G. RESPONSE TO QUERIES / EVENTS

The Company shall take all necessary steps to provide specific and adequate reply to all queries raised by stock exchange(s), if any, with respect to any events or information.

However, the Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s) pertaining to the Company.



H. REVIEW

The Board of Directors of the Company may review the 'Policy' from time to time and 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.
