POLICY FOR DETERMINING MATERIALITY OF EVENT / INFORMATION

LEEL ELECTRICALS LIMITED

VERSION HISTORY:

Version No.	Effective Date	Amendment /Revision Details
1.0	26.07.2024	Initial Issuance

1. Preamble:

In accordance with Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 ("Listing Regulations"),the Company shall frame a policy for determination of materiality, based on criteria specified in the regulation, duly approved by its board of directors. The regulation governs the disclosure of material events and information by Company, with the objective of enabling investors to make well-informed investment decisions and ensuring the timely, adequate and effective dissemination of such information to the Stock Exchange(s).

2. Adoption of this Policy

The Board of Directors of the Company, post its acquisition vide Hon'ble National Company Law Tribunal ("NCLT") Order dated 21.03.2024 under the provisions of Insolvency and Bankruptcy Code, 2016, ("IBC"), adopted this policy in its Meeting (01/2024-25) held on 26.07.2024, in order to align with the relevant provisions of the Regulation 30 of Listing Regulations read with Schedule III thereto.

In the event of any inconsistency between this Policy and applicable laws, the provisions of the law shall take precedence, and the Company will ensure compliance with the relevant legal requirements.

3. Scope:

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.

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 the Company shall make disclosure of such events and events that are based on application of the guidelines of materiality. .

4. Definitions:

Act: shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof;

Board: means the collective body of the directors of the company;

Company: shall mean LEEL Electricals Limited;

Compliance Officer: for the purpose of complying with the provisions of Listing Regulations and this policy shall be the Company Secretary of the Company;

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 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;

Listing Regulations: shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modifications thereof;

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 Listing Regulations;

Policy: means this Policy for determining the Materiality of information or events as may be amended from time to time;

Promoter & Promoter Group: shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

Schedule: shall mean Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modifications thereof;

Specified Securities: means 'equity shares' and 'convertible securities' as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

Stock Exchange: means the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited;

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. Further, if any of the above definitions are in contradiction with the applicable laws, then the definitions under the applicable laws shall prevail.

5. Authority for Disclosure:

The Managing Director or Company Secretary or Chief Financial Officer, 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 are as under:
Designation: Managing Director or Company Secretary or Chief Financial Officer
Contact No.: 91-120-6027071
E-mail: info@leelelectric.com, neerajgupta@leelelectric.com

6. Criteria for Assessing Materiality:

The Board or the KMP, 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; or

C. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
   - two percent (2%) of turnover, as per the last audited consolidated financial statements of the Company;
   - two percent (2%) of 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;
   - five percent (5%) of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

D. In case where the criteria specified in sub - clauses (A), (B) and (C) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material.

7. Type of Disclosures:

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

A. Events or information which are deemed to be material events and necessarily disclosed by the Company without applying the criteria for assessing materiality.
B. Events or information which are dependent on application of guidelines for materiality.
C. Other Disclosures.

The manner of disclosure shall be in accordance with the Schedule III to Listing Regulations.

A. Events or information which are deemed to be material events and necessarily disclosed by the company without applying the criteria for assessing materiality.

The Company shall, disclose all such events pertaining to itself and/or its material subsidiary (ies), which are specified in Para A of Part A of Schedule III of the Listing Regulations (as may be applicable / amended from time to time).

B. Events or information which are dependent on application of guidelines for materiality..

The events or information specified in Para B of Part A of Schedule III of the Regulations will be disclosed based on application of materiality criteria, as mentioned above in point 5 and within such timelines as mentioned in the Listing Regulations.

C. Other Disclosures.

Events of the Company to which neither Para A nor B of Schedule III apply, should be disclosed if such events are considered as material by the Company.

The Company shall intimate 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.

The Company may at its own discretion, confirm or deny any reported event or information to Stock Exchange(s). That if the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

Further upon any material price movement pursuant to any reported event, the Company shall deal with the same, in accordance with the relevant provisions of Regulation 30(11) & (11A) of the Listing Regulations.

8. Disclosure of Material Developments

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.

9. Hosting of Disclosures on the Website:

The Company shall upload on its official website i.e., www.leeleelectric.com, this 'Policy' and all the events or information which has been disclosed to the Stock Exchanges under the provisions of Regulation 30. The same shall remain 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.

10. 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.