POWERTRONIX ENGINEERING LIMITED

CIN: U93000WB2011PLC160665

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURE TO STOCK EXCHANGES

Policy on Criteria for determining Materiality of Events or Information for disclosure to Stock Exchanges

(Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I. **Introduction**:

This Policy shall be called 'Policy on Criteria for determining Materiality of Events or Information for disclosure to Stock Exchanges' of **POWERTRONIX ENGINEERING LIMITED** ("**PEL**" or "**the Company**") formerly known as Powertronix Engineering Private Limited. This Policy has been framed in accordance with the requirement of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations].

II. **Objective**:

The purpose of this Policy is to provide overall governance framework for ascertaining the materiality of events or information relating to the Company and to ensure that the Company disseminates such events and information promptly to the Stock Exchanges, on which the securities of the Company are listed. This Policy shall co-exist with the Code for Prevention of Insider Trading of the Company.

III. **Definitions**:

1. Company means **POWERTRONIX ENGINEERING LIMITED**.

2. Key Managerial Personnel shall mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

3. Listing Agreement shall mean an agreement that is entered into between a recognized stock exchange and the Company pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Material Event or Material Information shall mean such event or information as may be determined in accordance with Clause IV of this Policy.

5. Policy means 'Policy on Criteria for determining Materiality of Events or Information for disclosure to Stock Exchanges' of the Company, as may be amended from time to time.

6. Regulations means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other applicable law or regulation to the extent applicable to the Company.

IV. **Person(s) responsible for determining materiality of event or information for making disclosure**:

The Chairman and Managing Director, Director, Company Secretary of the Company or any other person authorized by the Managing Director shall be severally authorized to determine materiality of events or information as per guidelines given below and for the purpose of making disclosure(s) to stock exchanges, where the securities of the Company are listed, subject to the provisions of this Policy.

Guidelines for Determining Materiality

In order to determine whether a particular event / information is material in nature, the following ‘quantitative’ or ‘qualitative’ criteria(s) shall be applied:

A. Quantitative Criteria

An event or information shall be considered material if the omission of such event or information, whose value or the expected impact in terms of value, exceeds the lower of the following thresholds:

1. Two percent (2%) of turnover, as per the latest annual restated consolidated financial statements of the Company;
2. Two percent (2%) of net worth, as per the latest annual restated consolidated financial statements of the Company, except where the arithmetic value of net worth is negative; or
3. Five percent (5%) of the average of the absolute value of profit or loss after tax, as per the last three annual restated consolidated financial consolidated financial statements of the Company.

B. Qualitative Criteria

In the absence of applicability of the quantitative criteria specified above, an event or information shall be considered material if:

1. the omission of such event or information is likely to result in discontinuity or alteration of an event or information already available publicly;
2. the omission of such event or information is likely to result in significant market reaction if such omission came to light at a later date; or
3. in the opinion of the Board of Directors of the Company, such event or information is material.

All events or information as specified in Annexure I to this Policy shall be deemed to be ‘material’ and the Company is required to make disclosure of such events. Further, disclosure of events specified in Annexure II to this Policy, is to be made, based on application of the guidelines for materiality as given above.

Further, concerned Officer/Directorshall be responsible for giving prompt intimation relating to any event or information pertaining to their respective functional areas, to the Company Secretary. In case any such event or information is required to be disclosed or is material in nature, but is not in the knowledge of concerned Directoror comes to his knowledge subsequently, concerned Director shall report it to the Company Secretary immediately upon becoming aware of it.

On receipt of communication of such event or information, the matter will be reviewed by the Company Secretary and disclosures shall be made accordingly.

Person(s) authorized for making disclosure(s) to stock exchanges	**Contact details of authorized persons**
Managing Director	Registered Office & Corporate Office: 207 Mahatma Gandhi Road Flat No - F-1 & F2, Kolkata – 700 082 West Bengal, India. Contact No: 033 24026403 E-mail: md@powertronix.co.in

Company Secretary	Registered Office & Corporate Office: 207 Mahatma Gandhi Road Flat No - F-1 & F2, Kolkata – 700082 West Bengal, India. Contact No: 033 24026403 E-mail: cs@powertronix.co.in

Managing Director (MD) of the Company shall be authorized to approve any changes in the person(s) responsible for making disclosures and to nominate any other KMP for this purpose, as may be required from time to time.

V. **Disclosure of events or information**:

1. The Company shall ensure that disclosure of the following events or information, is made to the Stock Exchanges, on which the Company's shares/ non-convertible debt securities are listed, as soon as reasonably possible, and not later than twenty-four hours of occurrence of the event or information or such other time as may be prescribed under the Regulations:-

a) Events or information, as specified in Annexure I to this Policy, are required to be disclosed without any application of the guidelines for materiality.

b) Events or information, as specified in Annexure II to this Policy, are required to be disclosed upon application of the guidelines for materiality, as given in Clause IV of this Policy.

c) Events or information in respect of material changes in status of Company's subsidiaries.

d) Disclosures of any other event or information which, in the opinion of the Board of Directors of the Company, may be considered to be 'material'.

e) Any other information or event, including major developments that are likely to affect the business of the Company, such as emergence of new technologies, expiry of patents, change in accounting policy having a significant impact on the accounts of the Company, or any other information which is exclusively known to the Company and 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.

f) Any other event or information, which may have material impact on the Company or any other disclosure required to be made as per requirement of any law for the time being in force.

In case the disclosure is made after statutory timeline of occurrence of the event or information, the Company shall, along with such disclosures, provide an explanation for delay.

2. The Company shall promptly inform the stock exchange(s) of all events or information including information specified in Annexure III to this Policy, which has bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or redemption of non-convertible debt securities.

Explanation - The expression 'promptly inform', shall imply that the stock exchange(s) must be informed as soon as practically possible and without any delay and that the information shall be given first to the stock exchange(s) before providing the same to any third party.

3. Material developments on above disclosures shall also be made on a regular basis, till such time the event is resolved/closed, with relevant explanations.

4. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. Further, the Company may, on its own initiative, confirm or deny any reported event or information, to stock exchange(s).

VI. **Authority/responsibility of the authorised persons**

The Authorized Persons shall have the following powers and responsibilities:

1) Continuously identify, assess and review Material Events and/or Information on the basis of facts and circumstances in accordance with this Policy and Applicable Laws.
2) Periodically determine the appropriate time to make Material Disclosures to the Stock Exchanges upon Identification of a Material Event and/or Material Information.
3) Make Material Disclosures and provide relevant material developments, or explanations in respect of a Material Event and/or Material Disclosure to the Stock Exchanges till such time as the development is resolved/closed.
4) Evaluate such other events or information (other than the Material Event and/or Material Information) which requires disclosures.

VII. Guidelines for the authorized persons

The Authorized Persons shall adhere to the following guidelines and principles for determining the Material Events and/or Information prior to making the disclosures:

(i) **Adequacy & Timeliness:** Make adequate, accurate, explicit, and timely disclosures as prescribed in this Policy and Applicable Laws from time to time.

(ii) **Adherence to Applicable Laws:** The Company shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the Stock Exchange(s) in this regard and as may be applicable.

(iii) **Fairness:** Ensure fairness and make wide dissemination of relevant information avoiding selective disclosure.

(iv) **Transparency:** Provide and make disclosures of all material information for determining the Material Events and/or Information with sufficient details that fosters investors‟ confidence. Channels for disseminating information shall provide for equal, timely and cost-efficient access to relevant information by investors.

(v) **Accounting Information**. Accounting related information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure. The Company shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.

(vi) **Relevant Information**. Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information, having due regard to the nature of filing and information that shall enable investors to track the Company performance at any point of time and over regular intervals of time.

(vii) **Confidentiality**: Adhere to the provisions in Section IX of this Policy while making disclosures.

(viii) **Ascertain Need to Know Basis**: Ensure that all the price sensitive information is made available only on a need to know basis and provide guidance to such relevant persons who may have the reasonable and required means to handle such information.

(ix) **Materiality**: Ensures that all material information is made generally available.

(x) **True Disclosures:** Ensure and be reasonably satisfied that no misleading, untrue or misrepresentation of any information is being provided while making the disclosures. The Company shall refrain from misrepresentation and ensure that the information provided to the Stock Exchange(s) and investors is not misleading.

(xi) **Expert Opinion.** If any part of the disclosure includes quotes from a report statement or opinion made by an expert, the same should be clearly provided for making such disclosure He should ensure that written consent of the expert to the use of the report statement or opinion in the disclosure has been obtained.

VIII. **Hosting of Information on the Company's Website**:

The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under this Policy, and such disclosures shall be hosted on the Company's website for a minimum period of five years and thereafter as per the archival policy of the Company.

The contact details of KMPs responsible for making disclosures shall be disclosed to the Stock Exchange(s) and also hosted on the Company's website. Further, the Policy shall be disclosed on the website of the Company.

IX. **Confidentiality**

If the Board and/or the Authorized Persons are of the opinion that an issue of an announcement is unduly detrimental to the Company's interest, and that maintaining the confidentiality of price sensitive information having regard to the disclosure obligations under this Policy, it may determine the period for which the confidentiality shall be maintained and may issue appropriate directions to ensure that the following are maintained:

(i) all the connected persons who are aware of such information, know that it is confidential and they are obligated to keep the material facts confidential.

(ii) there is no selective disclosure of confidential material information to third parties.

(iii) No one with the knowledge of material information has traded in the securities of the Company and in the securities of other company affected by material information and causing connected person to refrain from the trading in the Securities till the information is made public.

X. **Effective date**

The Policy shall be effective on the date of listing of equity shares of the Company at the Stock

Exchange(s).

XI. **Publication of the policy**

This Policy for determination of Materiality, as approved by the Board, will be disclosed on the website of the Company.

XII. **Assessment and amendment in policy**

The Board may review and amend this Policy from time to time to ensure compliance with applicable laws.

XIII. **Queries and clarifications**

Any queries or clarifications in relation to this Policy may be addressed to the Company Secretary of the Company.

Annexure I

Events which are required to be disclosed without any application of the guidelines for Materiality (as specified in sub- regulation (4) of regulation (30) of Listing Regulations):

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.

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 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. Outcome of Meetings of the Board of Directors: The listed Company shall disclose to the Stock Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:-

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 listed entity from stock exchange(s).

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), 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.

6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

i. The letter of resignation along with detailed reasons for the resignation as given by the said director.

(ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any

ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.

iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

8. Appointment or discontinuation of share transfer agent.

9. Resolution plan/ Restructuring in relation to loans/ borrowings from banks/ financial institutions including the following details:

i. Decision to initiate resolution of loans/borrowings;
ii. Signing of Inter-Creditors Agreement (ICA) by lenders;
iii. Finalization of Resolution Plan;
iv. Implementation of Resolution Plan;
v. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders..

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 listed entity.

13. Proceedings of Annual and extraordinary general meetings of the listed entity.

14. Amendments to memorandum and articles of association of listed entity, in brief.

15. (a) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

i. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
ii. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
iii. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
iv. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
v. 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;
vi. Appointment/ Replacement of the Resolution Professional;
vii. Prior or post-facto intimation of the meetings of Committee of Creditors;
viii. 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;
ix. Number of resolution plans received by Resolution Professional;
x. Filing of resolution plan with the Tribunal;
xi. Approval of resolution plan by the Tribunal or rejection, if applicable;
xii. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
a. Pre and Post net-worth of the company;
b. Details of assets of the company post CIRP;
c. Details of securities continuing to be imposed on the companies' assets;
d. Other material liabilities imposed on the company;

e. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
f. Details of funds infused in the company, creditors paid-off;
g. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
h. Impact on the investor – revised P/E, RONW ratios etc.;
i. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
j. Brief description of business strategy.

xiii. Any other material information not involving commercial secrets.

xiv. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;

xv. Quarterly disclosure of the status of achieving the MPS;

xvi. The details as to the delisting plans, if any approved in the resolution plan.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

Annexure II

Events which are required to be disclosed upon application of the guidelines for materiality (as specified in sub- regulation (4) of regulation (30) of Listing Regulations):

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.

Annexure III

As per Part B of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall promptly disclose to the Stock Exchange(s) all information having a bearing on the performance or operation of the Company and/or price sensitive information or any action that shall affect payment of interest, redemption or repayment in respect of its listed non-convertible debt securities, including but not limited to the following:

(1) expected default in timely payment of interests or redemption or repayment amount or both in respect of the non-convertible debt securities and also default in creation of security for debentures as soon as the same becomes apparent;

(2) any attachment or prohibitory orders restraining the listed entity from transferring non-convertible debt securities from the account of the registered holders along with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details;

(3) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities;

(4) any action that shall affect adversely payment of interest on non-convertible debt securities including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;

(5) any change in the form or nature of any of its non-convertible debt securities that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;

(6) any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;

(7) any events such as strikes and lock outs which have a bearing on the interest payment/ principal repayment capacity;

(8) details of any letter or comments made by debenture trustees regarding payment / non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any;

(9) delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;

(10) failure to create charge on the assets within the stipulated time period;

(11) any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programs of the dues/debts of the Company with any investor(s)/lender(s);

Explanation:- For the purpose of this sub-para, ‘default’ shall mean Nonpayment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.

(12) any major change in composition of its Board of Directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(13) any revision in the rating;

(14) the following approvals by Board of Directors in their meeting;

(a) the decision to pass any interest payment;

(b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;

(15) all the information, report, notices, call letters, circulars, proceedings, etc. concerning non-convertible debt securities;

(16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.