

POWERICA LIMITED

POLICY FOR DETERMINATION OF MATERIALITY

1. BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”), requires Powerica Limited (“**Company**”) to frame a policy for determination of materiality for disclosure of events or information to BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”), based on the criteria specified in the Listing Regulations. The policy is also required to be disclosed on the website of the Company. The events/information that would be disclosed would be as presently prescribed by SEBI vide circular CIR/CFD/CMD/4/2015 dated September 9, 2015 and as would be amended from time to time.

2. SCOPE AND COMMENCEMENT OF THE POLICY

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “Disclosure of events or information to Stock Exchanges”.

The Policy shall come in to force with effect from the date of listing of the equity shares of face value of Rs. 5 each of the Company on BSE Limited and National Stock Exchange of India Limited

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

3. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

The Chief Financial Officer or failing him the Company Secretary will be the authorized Key Managerial Personnel (“**KMP**”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchanges through the Chief Investor Relations Officer designated under the Company’s code of fair disclosure. The KMP are also empowered to seek

appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

Contact details of Key Managerial Personnel are as under:

Mr. Vijay Kumar- Email ID: vijaykumar@powericaltd.com	Mrs. Komal Manoj Nagdev Email ID: komal.motwani@powericaltd.com
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4. DISCLOSURES OF EVENTS OR INFORMATION TO STOCK EXCHANGES

The events or information which will be necessary to be disclosed to the Stock Exchanges are divided into three categories as specified in the Listing Regulations:

- (a) Events whose disclosure is mandatory and which would need to be disclosed without any application of the test/guidelines for materiality.

The below events will be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information except for events stated in item (d) below which shall be disclosed within thirty minutes of the conclusion of the Board Meeting. In case the disclosure is made after twenty four hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.

- (i) 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 Company (if any) or any other restructuring.

Acquisition would mean

- (A) acquiring control, whether directly or indirectly; or,
- (B) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
- (1) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (2) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.

- (ii) Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities



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or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

- (iii) Revision in Rating(s).
- (iv) Outcome of meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider or decide 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 would 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 Company from stock exchange(s)
- (v) Agreements (viz. shareholder agreement(s), joint venture agreement(s) (to the extent that it impacts management and control of the Company), 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.
- (vi) Fraud/ defaults by promoter or key managerial personnel (Managing Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.) of the Company or by the Company or arrest of key managerial personnel or promoter.

- (vii) Change in directors, key managerial personnel, Auditor and Compliance Officer.
- (viii) Resignation of auditor of the Company with detailed reasons for such resignation.
- (ix) Appointment or discontinuation of share transfer agent.
- (x) Corporate debt restructuring.
- (xi) One time settlement (OTS) with a bank.
- (xii) Reference to National Company Law Tribunal and winding-up petition filed by any party/creditors.
- (xiii) 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 Company.
- (xiv) Proceedings of annual and extraordinary general meetings of the Company.
- (xv) Amendments to memorandum and articles of association of Company, in brief.
- (xvi) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- (b) In case of resignation of an independent director of the Company, the same shall be disclosed to the stock exchanges within seven days from the date of resignation.
- (c) Events which may be disclosed to the Stock Exchanges based on the test of materiality.

The events as mentioned below will be disclosed based on the application of the test of materiality and key principles for determination of materiality as outlined hereunder:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) 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

- (iii) in a case where the criteria specified in 4 (b)(i) and 4 (b) (ii) is not applicable, any event/information which in the opinion of the Board of the Company, is considered material and needs disclosure.

The KMP authorised under this Policy will determine on the disclosure of events or information to the Stock Exchanges based on the application of the test of materiality as mentioned above. In addition to this, the KMP while determining the materiality will do so on a case to case basis depending on specific facts/circumstances relating to the information/event and apply such other qualitative/quantitative criteria if required and as may be deemed appropriate to the event.

Description of events:

Sr. No	Events / Information	Threshold Criteria
1.	Commencement or any postponement in the date of commencement of commercial operations of any unit/division	Likely to have an impact of Rs. 250 Crores or more on annual consolidated turnover for the immediately preceding financial year
2.	(i) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business; or (ii) Closure of operations of any unit/division – (entirety or piecemeal)	Impact exceeding 20% of the income of the Company as per the last audited consolidated financial statements for each transaction
3.	Capacity addition or product launch	Capacity addition or new product that is likely to contribute 20% or more to the revenue, assets/liabilities or net profit after tax (whichever is the lowest)
4.	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business	Award or contract amount not exceeding 20% of the income of the Company as per the last audited consolidated financial statements for each transaction

Sr. No	Events / Information	Threshold Criteria
5.	Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof)	Borrowings for a minimum period of 5 years for an amount exceeding Rs. 500 Crore of the income of the Company as per the last audited consolidated financial statements for each transaction All other agreements which are entered into not in the normal course of business having a value exceeding Rs. 500 Crore of the income as per the last audited consolidated financial statements for each transaction
6.	Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or events such as strikes, lock-outs etc..	Disruption of operations due to natural calamity/force majeure, with estimated impact exceeding 20% of the income of the Company as per the last audited consolidated financial statements for each transaction. In case of strikes or lock-outs etc., complete closure of any branch for a continuous period of at least 15 days.
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company	Impact of which exceeds 20% of the income of the Company as per the latest audited consolidated financial statements. Where the impact is 20% or less, the compliance officer will decide the matter in consultation with the key managerial personnel / Any regulatory changes which are likely to increase the compliance/regulatory costs.

Sr. No	Events / Information	Threshold Criteria
8.	Litigation(s)/dispute(s)/regulatory action(s) with impact	Outcome of any single litigation/dispute determined by courts of law or individual matters with similar cause of action (which shall be aggregated) and regulatory action having an impact of not less than 20% of the income of the Company as per the last audited consolidated financial statements. No threshold limits on all regulatory actions, criminal, environmental matters and matters resulting from the breach of securities laws. However, the above materiality parameters will also apply to the directors, promoter and key managerial personnel of the Company, except where the litigation is of a purely personal nature and unlikely to affect the involved director's, promoter's or key managerial personnel's ability to discharge its responsibilities towards the Company. For non-quantifiable matters, the compliance officer shall determine materiality on a case to case basis.
9.	Frauds/defaults by directors (other than key managerial personnel) or employees of the Company. RBI has laid down a regulatory framework for all companies with respect to reporting of frauds. The authorised KMP while determining the materiality of disclosure relating to this item would be guided by the decision of	Amounts exceeding 5% of the income of the Company as per the last audited consolidated financial statements.

Sr. No	Events / Information	Threshold Criteria
	the Fraud Monitoring Committee constituted by the Board in accordance with RBI guidelines to review the frauds and decide on the need for disclosing the same	
10.	Options to purchase securities, including any Employees Stock Option Plan/ Employees Stock Purchase Scheme	[●]% of the issued and outstanding share capital of the Company, or which would (along with existing shareholding) result in the person granted the options holding more than 1% of the issued and outstanding share capital of the Company.
11.	Giving of guarantees or indemnity or becoming a surety for any third party	Amount exceeding 20% of the income of the Company as per the last audited consolidated financial statements.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	Granting, withdrawing, surrender, cancellation or suspension of the following license or regulatory approvals the impact of which would exceed 10% of the income of the Company as per the last audited consolidated financial statements./ Any license or approval which can affect the business or operations of the Company (or any of its material units/ divisions).

- (d) The Company will disclose all events or information with respect to subsidiaries (if any) which are material to the Company in accordance with the policy determining material subsidiary (if any) adopted by the Board of Directors of the Company.

- (e) Any other event/information that is likely to affect business

Such events may include but not be limited to the following:

- (i) Emergence of new technologies;
- (ii) Change in accounting policy that may have a significant impact on the accounts of the Company.
- (iii) Any other event which is in the nature of major development that is likely to affect business of the Company.
- (iv) Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to apprise its position and to avoid the establishment of a false market in such securities.

5. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED

- 5.1** The events/information shall be said to have occurred upon approval of Board of the Company in certain events, for example further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of the Company and Shareholders of the Company.
- 5.2** Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the Board of the Company pending Shareholder's approval.
- 5.3** Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event/information.

6. DISCLOSURES ON WEBSITE

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival process followed by the Company.

7. AMENDMENTS TO THE POLICY

The KMP authorised under this Policy will review the Policy from the perspective of the Listing Regulations and determine the events/information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. All such amendments will be informed to the Board and the approval of the Board will be sought to align the policy in line with the Listing Regulations.