



POLICY ON DISCLOSURE OF MATERIAL EVENTS OR INFORMATION

INTRODUCTION

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”), requires every listed company to formulate a policy for determination of materiality based on criteria specified in the Regulations. The policy on disclosure of material events or information (“policy”) was first adopted by the Board of Directors of Elgi Equipments Limited (“the Company”) on December 1, 2015, and modified on August 11, 2023, in compliance with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023. The policy is hosted on the website of the Company.

OBJECTIVES

The objective of this Policy is to determine the event(s) and information(s) which, in the opinion of the Board of Directors of the Company, are considered material and are required to be disclosed to the Stock Exchanges within the time limits as prescribed in the Regulations and as per the Policy. This Policy provides guidance to the Board of Directors of the Company and the Key Managerial Personnel as authorised by the Board of Directors to determine, identify and categorize events as material and make necessary disclosure to the Stock Exchanges and on the website of the Company. The Policy aims to establish internal procedures to apprise officials of the Company of their obligations relating to systematic identification, categorization, review and disclosure of events or information which may have a material impact on the performance or operations of the Company, and which may materially affect the share prices of the Company.

DEFINITIONS

“**Acquisition**” shall mean: (i) acquiring control, whether directly or indirectly; or (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that:

- a) 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
- 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-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
- c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.



“Agreement” include agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

“Board of Directors” shall mean the Board of Directors of Elgi Equipments Limited.

“Company” means Elgi Equipments Limited.

“Default” shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

“Fraud” shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. “Fraud” includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include:

- a) a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment.
- b) a suggestion as to a fact which is not true by one who does not believe it to be true.
- c) an active concealment of a fact by a person having knowledge or belief of the fact.
- d) a promise made without any intention of performing it.
- e) a representation made in a reckless and careless manner whether it be true or false.
- f) any such act or omission as any other law specifically declares to be fraudulent.
- g) deceptive behaviour by a person depriving another of informed consent or full participation.
- h) a false statement made without reasonable ground for believing it to be true.
- i) the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.



“Key Managerial Personnel” or **“KMP”** means Chief Executive Officer and Managing Director, Chief Financial Officer, and Company Secretary of the Company.

“Mainstream Media” shall include print or electronic mode of the following:

- a) Newspapers registered with the Registrar of Newspapers for India.
- b) News channels permitted by Ministry of Information and Broadcasting under Government of India.
- c) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. and
- d) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.

"Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

“Sale or disposal of subsidiary” and **“Sale of stake in associate company”** shall include

- a) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or
- b) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

“Social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

“Subsidiary” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

“Undertaking” and **“substantially the whole of the undertaking”** shall have the same meaning as given under section 180 of the Companies Act, 2013

All other words and expressions used but not defined in this Policy, shall have the same meaning as defined in the SEBI Listing Regulations, and if not defined therein, then as per the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and/or the rules and regulations made thereunder, or any other Act and/or applicable laws or any statutory modification or re-enactment thereto, as the case may be.



GUIDELINES FOR DETERMINING MATERIALITY

The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors of the Company, is material. Events or Information specified in Para A of Part A of Schedule III are deemed to be material events and the Company shall make disclosure of such events. The Company shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

The Company shall consider the following criteria for determination of materiality of events/information:

- 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) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (i) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (ii) two percent 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;
 - (iii) five percent 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.

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- a) thirty 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;
- b) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company;
- d) The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Regulations shall be made within such timelines.

In case the disclosure is made after the timelines specified under these regulations, the Company shall, along with such disclosure provide the explanation for the delay.



The following shall be events/information, upon occurrence of which the Company shall make disclosure to the stock exchange(s):

- A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

S.No.	Event/Information
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.
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.	New Rating(s) or Revision in Credit & ESG Rating(s).
4.	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 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 Company from stock exchange(s). Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.
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 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.

S.No.	Event/Information
6.	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.</p> <p>Provided that such agreements entered into by a Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.</p>
7.	<p>Fraud or defaults by a Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad.</p>
8.	<p>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), senior management, Auditor and Compliance Officer.</p>
9.	<p>In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.</p>
10.	<p>In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).</p>
11.	<p>Appointment or discontinuation of share transfer agent.</p>
12.	<p>One time settlement with a bank.</p>
13.	<p>Winding-up petition filed by any party / creditors.</p>
14.	<p>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.</p>
15.	<p>Proceedings of Annual and extraordinary general meetings of the Company.</p>
16.	<p>Amendments to memorandum and articles of association of Company, in brief.</p>

S.No.	Event/Information
17.	<p>(a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.</p> <p>(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:</p> <ul style="list-style-type: none"> (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:
18.	<p>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:</p> <ul style="list-style-type: none"> 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 Company along with comments of the management, if any.
19.	<p>Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.</p>
20.	<p>Action(s) initiated, or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:</p> <ul style="list-style-type: none"> a) search or seizure; or b) re-opening of accounts under section 130 of the Companies Act, 2013; or c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed: <ul style="list-style-type: none"> (i) name of the authority; (ii) nature and details of the action(s) taken, initiated or order(s) passed; (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; (iv) details of the violation(s)/contravention(s) committed or alleged to be committed; (v) impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

S.No.	Event/Information
21.	<p>Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:</p> <ul style="list-style-type: none"> a) suspension; b) imposition of fine or penalty; c) settlement of proceedings; d) debarment; e) disqualification; f) closure of operations; g) sanctions imposed; h) warning or caution; or i) any other similar action(s) by whatever name called; <p>along with the following details pertaining to the actions(s) initiated, taken or orders passed:</p> <ul style="list-style-type: none"> (i) name of the authority; (ii) nature and details of the action(s) taken, initiated or order(s) passed; (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; (iv) details of the violation(s)/contravention(s) committed or alleged to be committed; (v) impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
22.	Voluntary revision of financial statements or the report of the Board of Directors of the Company under Section 131 of the Companies Act, 2013.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

S.No.	Event/Information
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2.	<p>Any of the following events pertaining to the Company:</p> <ul style="list-style-type: none"> a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or b) adoption of new line(s) of business; or c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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 Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
8.	Frauds or defaults by employees of the Company which has or may have an impact on the Company.
9.	Options to purchase securities including any ESOP/ESPS Scheme.
10.	Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
11.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
12.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

C. 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.

D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.

RUMOUR VERIFICATION

The Company shall confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and indicates that rumours of an impending specific material event or information that are circulating amongst the investing public and also provide the current stage of such event or information. Such disclosure will be as per the timelines prescribed under SEBI Listing Regulations from the date of this provision made applicable to the Company.

PERSONS RESPONSIBLE FOR DISCLOSURE

Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges. The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.



The Board of Directors of the Company have authorised the KMPs to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

AMENDMENT

The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. In case of any amendments(s), clarification(s), circulars(s) etc, issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circulars(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarifications(s), circular(s) etc.