



India Nippon Electricals Limited

POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT OR INFORMATION

1. Legal Framework

This Policy has been formulated in accordance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), with respect to disclosure of material events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”).

2. Objective

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of India Nippon Electricals Limited has adopted this Policy for determination of material and price sensitive information such that the required information can be promptly disclosed to the stock exchanges, as required under applicable regulations.

3. Definitions

- a. “Act” means the Companies Act, 2013 and rules made thereunder, as amended from time to time
- b. “Board” or “Board of Directors” shall mean the Board of Directors of INEL
- c. “Company” or “INEL” shall mean India Nippon Electricals Limited
- d. “Committee” shall mean the committee constituted and approved by the Board of Directors from time to time to determine the materiality of any information, classify it as material information, and decide the appropriate time at which disclosure is to be filed with the stock exchanges and details that may be filed.
- e. “Financial Year” shall have the same meaning ascribed to it under the Act.
- f. “Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time
- g. “Policy” means Policy for determination of materiality of an event
- h. “Material Information/Event” shall mean those that are specified in Paragraphs A, B, C and D of Part A of Schedule III of the Listing Regulations.



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Words and expressions not defined in this policy shall have the same meaning but defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India Act 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 2013 and the rules and regulations there under.

4. Committee

A committee consisting of the following persons is constituted for determining the materiality of any information, classify it as material information, and decide the appropriate time at which disclosure is to be filed with the stock exchanges and details that may be filed:

- (i) Managing Director
- (ii) Chief Executive Officer/ President
- (iii) Chief Financial Officer
- (iv) Company Secretary

The committee shall be re-constituted from time to time by the Board of Directors.

5. Guidelines for materiality assessment

- (i) The Company shall consider the following criteria for determination of materiality of events/information:

Qualitative criteria would mean:

- (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.

Quantitative Criteria would mean the omission of an event or information, whose value or the expected impact in terms of value, exceeds the least of the following:

- (a) 2% (two percent) of turnover, as per the last audited consolidated financial statements of the Company;
- (b) 2% (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;
- (c) 5% (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.

In terms of the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, if the average of absolute value of profit or loss is required to be considered by disregarding



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the 'sign' (positive or negative) that denotes such value as the said value/ figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

- (ii) Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/ event. In order to determine whether a particular event/ information is material in nature, the 'quantitative' and/ or 'qualitative' factors shall be considered.
- (iii) In a case where the quantitative and qualitative criteria as above are not applicable, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

6. Category of events or information requiring disclosure

The events requiring disclosure may be classified broadly into the following categories:

- (i) Events specified in Para A of Part A of Schedule III of Listing Regulations are deemed material events and shall be disclosed by the Company without applying any guidelines/ criteria. Such events are enlisted in Annexure I of this Policy.
- (ii) Events specified in Para B of Part A of Schedule III of Listing Regulations, the materiality of which has to be determined based on the application of guidelines for materiality. Such events are enlisted in Annexure II of this Policy.
- (iii) Any other information/ event viz. any 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.
- (iv) Events/ information with respect to subsidiaries which are material for the Company, shall also be disclosed to the Stock Exchanges in accordance with Listing Regulations.
- (v) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved/ closed, with relevant explanations.
- (vi) The Company may make disclosures of events/ information as specified by SEBI from time to time.



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- (vii) Details to be provided to the Stock Exchanges while disclosing material events/ information shall be in compliance with the requirements of the Listing Regulations and circulars as may be notified by SEBI from time to time.
- (viii) In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of the Listing Regulations, but which may have material effect on the Company, as determined by the Board of the Company or the Committee in accordance with this Policy, the Company is required to make disclosures in regard thereof.
- (ix) In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

7. Timelines for disclosure

- a) The disclosure with respect to the events/ information for which timelines have been specified for Part A of Schedule III shall be made within such timelines. Refer Annexure I & II of this Policy.
- b) All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:
- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
 - ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
 - iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty-four) hours from the occurrence of the event or information.

In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.



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8. Amendments

The Board may 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. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force, and this Policy does not, and shall not, in any manner dilute any of the requirements set out under Regulation 30 read with Schedule III of the LODR Regulations.



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Annexure – I

Para / sub- para	Events	Timeline for disclosure
A.	Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):	
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/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 the associate company of the Company or any other restructuring.	Within 12 hours *
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.	Within 12 hours *
3.	New Ratings(s) or Revision in Rating(s).	Within 24 hours
4.	Outcome of Meetings of the board of directors	Within 30 minutes of the closure of the meeting.
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	Within 12 hours * (for agreements where Company is a party); Within 24 hours (for agreements where Company is not a party).
5A.	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: 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.	Within 12 hours * (for agreements where Company is a party); Within 24 hours (for agreements where Company is not a party).
6.	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 whether occurred within India or abroad.	Within 24 hours



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7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.	Within 12 hours * (except in case of resignation);
		Within 24 hours (in case of resignation)
7A.	In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor.	Within 24 hours
7B.	Resignation of independent director including reasons for resignation.	Within 7 days
7C.	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.	Within 7 days
7D.	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).	Within 12 hours *
8.	Appointment or discontinuation of share transfer agent.	Within 12 hours *
9.	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.	Within 24 hours
10.	One time settlement with a bank.	Within 24 hours
11.	Winding-up petition filed by any party / creditors.	Within 24 hours
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 Company.	Within 12 hours *
13.	Proceedings of annual and extraordinary general meetings of the Company.	Within 12 hours *
14.	Amendments to memorandum and articles of association of Company, in brief.	Within 12 hours *
15.	(a) Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors. Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means.	At least two working days in advance (excluding the date of the intimation and the date of the meet)]
16.	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.	Within 24 hours
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 the Company: (a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; 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.	Within 12 hours * (if initiated by the Company); Within 24 hours (if initiated by external agency).



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18.	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.	Within 24 hours
19.	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: (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or investigation under the provisions of Chapter XIV of the Companies Act, 2013;	Within 24 hours
20.	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: (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 any other similar action(s) by whatever name called;	Within 24 hours
21.	Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013.	Within 12 hours *

* **Note:** In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above.



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Annexure -II

Timeline for disclosure of events specified in Para B of Schedule III of the LODR Regulations

Para B.	Events which shall be disclosed upon application of the guidelines for materiality	Timelines
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Within 12 hours *
2.	Any of the following events pertaining to the Company: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or adoption of new line(s) of business; or closure of operation of any unit, division, or subsidiary (entirety or piecemeal)	Within 12 hours *
3.	Capacity addition or product launch.	Within 12 hours *
4.	Awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/ contracts not in the normal course of business.	Within 24 hours
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.	Within 12 hours * (for agreements where Company is a party); Within 24 hours (for agreements where Company is not a party).
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.	Within 24 hours
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company.	Within 24 hours
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.	Within 24 hours
9.	Frauds or defaults by employees of the Company which has or may have an impact on the Company.	Within 24 hours
10.	Options to purchase securities including any ESOP/ESPS Scheme.	Within 12 hours *
11.	Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.	Within 12 hours *
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 hours
13.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.	Within 12 hours *
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.	Within 24 hours
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 SEBI from time to time.	Timeline as specified by the SEBI.



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* **Note:** In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above.

Policy approved on 29th January 2016.

First amendment approved on 30th May 2019.

Second amendment approved on 13th February 2024.
