SPARC ELECTREX LIMITED

CIN: L31100MH1989PLC053467

POLICY FOR DETERMINATION OF MATERIAL EVENTS

OBJECTIVE:

As per Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "Regulations"), the Company is required to frame a policy for determining the materiality of events and information that need to be disclosed to the Stock Exchanges.

The objective of this Policy is to evaluate the materiality of any event/information and ensure timely and accurate dissemination of the same to the Stock Exchanges.

DEFINITION:

"Board of Directors" or **"the Board"** means the Board of Directors of **Sparc Electrex Limited**, as constituted from time to time.

"**Company**" means **Sparc Electrex Limited**.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Material Events" means events as specified in Schedule III to the Listing Regulations and upon the occurrence of which a listed entity shall make disclosures to the Stock Exchange(s) and host such disclosures on the listed entity's website.

"Policy" means the Policy for Determination of Material Events.

DETERMINING MATERIAL EVENT:

a) The events specified in Para A of Part A of Schedule III of the Regulations are deemed to be material events and such events shall be disclosed without any application of guidelines for materiality as specified in Regulation 30 (4) of the Listing Regulations. Such events are mentioned in Annexures A.

b) The events specified in Para B of Part A of Schedule III of the Regulations, shall be disclosed upon application of guidelines for materiality as specified III Regulation 30 (4) of the Listing Regulations. Such events are mentioned in Annexures B.

CRITERIA TO BE APPLIED FOR DETERMINING MATERIALITY:

An Event/Information shall be considered Material if it meets any of the following criteria:

- The omission of an event or information is likely to result in discontinuity or alteration of events or information already available publicly;

- The omission of an event or information is likely to result in significant market reaction on the Company's securities, if the said omission comes to light at a later date;
- The omission of an event or information whose value or the expected impact in terms of value, exceeds the lower of the following:
  (1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  (2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
  (3) 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 listed entity;

- Any other event/information which is treated as Material in the opinion of the Board of Directors of the Company.

In case of any confusion with regard to the date of occurrence of an event or information for the purpose of informing the Stock Exchanges, the Company shall decide the same after examining it in the light of the Guidance Note issued by SEBI in this regard.

Materiality Criteria for Subsidiaries:
Any event or information with respect to any subsidiary of the Company—irrespective of whether such subsidiary qualifies as a "Material Subsidiary" under Regulation 16(1)(c)—shall be considered material and disclosable if its estimated financial value or impact meets or exceeds the quantitative materiality criteria laid down under this Policy on a consolidated basis.

DISCLOSURE OF EVENTS OR INFORMATION:

Events specified in Annexure A are deemed to be material events and the Company shall make disclosure of such events or information within 30 minutes from closure of the Board Meeting (for outcome of Board Meetings); 12 hours from occurrence (for events originating within the company); 24 hours from occurrence (for events originating external to the company) in the following manner:

- Inform the Stock Exchange(s) on which the securities of the Company are listed;
- Upload the disclosure on the corporate website of the Company.

Provided that, in case the disclosure is made after the prescribed timelines (30 mins / 12 hrs / 24 hrs), the Company shall, along with such disclosure(s), provide an explanation for the delay.

PERSONS AUTHORISED TO DETERMINE MATERIALITY:

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The Board of Directors of the Company have authorised the Managing Director and the Chief Financial Officer to determine the Materiality of any event or information for the purpose of making disclosure to the Stock Exchanges.

The Board of Directors have authorised the Compliance Officer/any concerned person to make disclosure to the Stock Exchanges in respect of material events or information.

The contact details of the above personnel shall be disclosed and updated from time to time.

VERIFICATION OF MARKET RUMOURS:

The Company shall confirm, deny, or clarify any market rumour or reported event/information in mainstream media which is material in nature, upon query by the Stock Exchange(s) or on its own initiative, in compliance with Regulation 30(11) of the Listing Regulations. The Key Managerial Personnel authorized under this Policy are empowered to provide necessary disclosures/clarifications in this regard.

REVIEW AND AMENDMENT:

The Board may monitor, review and amend the Policy from time to time.

DISSEMINATION:

This policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.

Annexure A

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY:

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 Company or any other restructuring;

   Explanation - 'Acquisition' shall mean, - acquiring control, whether directly or indirectly; or, acquiring or agreeing to acquire shares or voting rights in, a company, 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 and such change exceeds two percent of the total shareholding or voting rights in the said company.

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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 credit 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:

   - 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;
   - any cancellation of dividend with reasons thereof;
   - the decision on buyback of securities;
   - the decision with respect to fund raising proposed to be undertaken
   - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
   - 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;
   - short particulars of any other alterations of capital, including calls;
   - financial results;
   - decision on voluntary delisting by the Company 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 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;

6. Fraud/defaults by Promoter or Key Managerial Personnel or Senior Management or arrest of Key Managerial Personnel, Senior Management, or Promoter;

7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;

8. Appointment or discontinuation of share transfer agent;

9. Corporate debt restructuring;

10. One-time settlement with a bank;

11. Application/petition filed under the Insolvency and Bankruptcy Code (IBC) for initiation of CIRP, or admission/order passed for winding-up/liquidation;

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;

13. Proceedings of Annual and extraordinary general meetings of the Company;

14. Amendments to memorandum and articles of association of Company, in brief;

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Annexure B

ILLUSTRATIVE LIST OF EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY:

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 anyone 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. Effect(s) arising out of change in the regulatory framework applicable to the Company;

8. Litigation(s) / dispute(s) / regulatory action(s) with impact;

9. Fraud/defaults etc. by directors (other than Key Managerial Personnel) or employees of Company;

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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;

13. 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.