

# **ELITECON INTERNATIONAL LIMITED**

CIN: L16000DL1987PLC396234

Regd. Office: B-4, Ground Floor, Shankar Garden , Vikaspuri New Delhi -110018;

Tel: +91-9871761020 ; E-mail: [admin@eliteconinternational.com](mailto:admin@eliteconinternational.com);

Website: [www.eliteconinternational.com](http://www.eliteconinternational.com)

## **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS FOR “Elitecon International Limited”**

**Under Regulation 30 (4) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 Read with the schedule III of the said Regulations**

### **1. PREAMBLE**

The Board of Directors (the "Board") of Elitecon International Limited (the "Company"), has adopted this policy and procedure with regards to Determination of Materiality as defined below. The Board shall review and may amend this policy from time to time.

### **2. INTRODUCTION**

News or details that may reasonably be expected to affect a company’s stock price and thus decisions that investors make about buying or selling the company’s stock. Material events may be the addition or loss of a large customer, falling or rising sales, a merger agreement, financial results above or below expectations, or a change in the company’s dividend policy. In order to enable investors to make well informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential.

There is a need of uniformity in disclosures to ensure compliance in letter and spirit.

### **3. DEFINITIONS**

- i. **“Audit Committee”** or **“Committee”** means Audit Committee constituted by the Board of Directors of the Company under the provisions of SEBI LODR Regulations, 2015 and the Companies Act, 2013, from time to time.
- ii. **“Board of Directors”** or **“Board”** means the Board of Directors of Elitecon International Limited , as constituted from time to time.
- iii. **“Company”** means Elitecon International Limited.
- iv. **“Compliance Officer”** means the officer appointed by the Board of Directors of the Company as for the purpose of this regulation from time to time.
- v. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- vi. **“Independent Director”** means an Independent Director referred to in section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.
- vii. **“Management”** means the Senior Management and Key Managerial Personnel of Elitecon International Limited.
- viii. **“Material Event”** shall mean all events which are price sensitive and/or have bearing on performance/operation of the listed entity.
- ix. **“Material Unlisted Indian Subsidiary”** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid-up capital and free reserves) exceeds 01% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- x. **“SEBI LODR Regulations, 2015”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- xi. **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 01% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.
- xii. **“Stock Exchange”** or **“Stock Exchanges(s)”** shall mean the Stock Exchange/Stock Exchange(s) where the securities of the Company are listed.

**4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS, THE COMPANY SHALL MAKE DISCLOSURE OF SUCH EVENTS:**

The Company shall disclose all such material events which are specified in Para A of Part A of Schedule III of the SEBI LODR Regulations, 2015.

The Following shall be events upon occurrence of which Company shall make disclosure to Stock Exchange without any application of the guidelines for materiality as specified in sub - regulation (4) of regulation (30) of the SEBI LODR Regulations, 2015: -

- 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 or any other restructuring.
- II. 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.
- 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 Board 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).
- V. Agreement(s) (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.
- VI. Fraud / defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
- VII. Change in directors, key managerial personnel (Managing Director, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.
- VIII. Appointment or discontinuation of share transfer agent.
- IX. Corporate debt restructuring.
- X. One-time settlement with a bank.
- XI. Reference to BIFR and winding - up petition filed by any party /creditors.
- XII. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, or creditors or any class of them or advertised in the media by the listed entity.
- XIII. Proceedings of Annual and extraordinary general meetings of the Company.
- XIV. Amendments to memorandum and articles of association of listed entity, in brief.
- XV. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts institutional investors;

**5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES; THE COMPANY SHALL MAKE DISCLOSURE OF SUCH EVENTS:**

The Company shall disclose all such material events specified in Para B of Part A of Schedule III of the SEBI LODR Regulation, 2015 subject to application of guidelines for materiality.

The Following shall be events upon occurrence of which company shall make disclosure to Stock Exchange subject to application of the guidelines for materiality as specified in sub-

regulation (4) of regulation (30):

**I. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.**

**Materiality:** - Commencement or postponement of commercial production directly influences share price of the Company. Therefore, the event shall be considered as material event, if the turnover from such proposed business is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

**II. Change in the general character or nature of business brought about by arrangements for strategic, technical or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)**

**Materiality:** - Change in the general character or nature of business brought about by arrangements for strategic, technical or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division may affect company's share price directly or indirectly and omission of the events or information is likely to result in significant market reaction. Therefore, the event shall be considered as material event, if the turnover from such new changed business is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

**III. Product launch**

**Materiality:** - Launching any new product automatically increases the goodwill of the Company and helps to improve brand building, therefore, the event shall be considered as material event, if the turnover from such proposed business is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

**IV. Awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business.**

**Materiality:-** Getting contracts are under the normal course of business but if the company gets any extra-ordinary order; it shall be considered a material event, if the turnover from each such order or contract is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

Further, an award bestowed upon the Company or any of its directors or KMP by a nationally recognized institution of the Government Agency shall be considered as a material event.

**V. 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.**

**Materiality:** - Disruption of operations in the unit of the Company due to natural calamity, force majeure or strikes, lockouts, etc. exceeding 3 working days shall be considered material event in all cases company.

**VI. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.**

**Materiality:** - The Board of Directors of the Company shall decide which change in regulatory framework would impact the Company or its operations, and the same shall be disclosed to Stock Exchange.

**VII. Litigation(s) / dispute(s) / regulatory action(s) with impact.**

**Materiality:** - Only material litigation/dispute and regulatory action is to be disclosed which exceeds an amount which is more than or equal to 01% of the total turnover. The test of material impact shall be decided by Board of Directors.

**VIII. Fraud / defaults etc. by directors (other than key managerial personnel) or employees of listed entity.**

**Materiality:** - The Company shall not disclose any fraud / defaults made by directors or employees of the Company, until the final binding order is not received by regulatory authority. After receiving final order, The Board shall decide the order should be disclosed or not. However, in case if any FIR is filed in the Police Station which are not bailable and or pending under the court having jurisdiction in the Indian Penal Court will be considered as material event.

**IX. Options to purchase securities including any ESOP/ESPS Scheme.**

**Materiality:** - The Company shall promptly disclose without applying any materiality.

**X. Giving of guarantees or indemnity or becoming a surety for any third party.**

**Materiality:** - The Company may, during the normal course of its operations, give guarantees or indemnity or become a surety for any third party. Further, the Company may be required to give performance guarantees or surety to third party(ies) for performance of obligations under contract/agreement/tender. Accordingly, Guarantees or indemnity or becoming a surety for any third party, provided by the Company, the value of which exceeds 5% of the net worth as per previous years' audited financial statements, shall be considered as material.

**XI. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.**

**Materiality:** - The Company shall promptly disclose without applying any materiality.

**6. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY:**

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.

**7. AUTHORIZED DIRECTOR(S) AND/OR KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE:**

The following Director(s) and/or KMPs are authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange:-

- |                       |  |
|-----------------------|--|
| 1. Mr. Vipin Sharma   | : Managing Director                      |
| 2. Mr. Upmanyu Pathak | : Director                               |
| 3. Ms. Chetna         | : Chief Financial Officer                |
| 4. Ms. Neha Anuj      | : Company Secretary & Compliance Officer |

**Details of above Director and KMPs shall be also disclosed to the stock exchange as well as on the Company's website.**

**1. TIME LIMIT FOR DISCLOSURES OF EVENT OR INFORMATION TO THE STOCK EXCHANGE:**

The Company shall disclose all events, as specified in Part A of Schedule III of the SEBI LODR Regulation, 2015 to the Stock Exchanges, as soon as reasonably possible and in any event not later than 24 (twenty four) hours of the occurrence of any event or information.

The Company shall disclose all events or information specified in paragraph B of Part A of Schedule III if deemed material as per this Policy, as soon as reasonably possible and in any event within a period of 24 (twenty four) to 48 (forty eight) from the knowledge of occurrence of the relevant events or information.

Disclosure with respect to events specified in Sub-Para 4 of Para A of Part A of Schedule III of SEBI LODR Regulations, 2015 shall be made within thirty minutes of the conclusion of the Board Meeting.

The Company shall, with respect to disclosures referred to in this Policy, make disclosures to the Stock Exchanges updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations. The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange(s) with respect to any events or information.

**2. AUTHORITY AND AMENDMENTS TO THE POLICY**

The Board, may, subject to applicable laws amend, alter, modify, substitute any of the provision(s) with a new provision(s) or replace this Policy entirely with a new policy from time to time based on the requirements as prescribed under the SEBI LODR Regulations, 2015.

### **3. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Act or the SEBI LODR Regulations, 2015 or any other statutory enactments or rules, the provisions of the SEBI LODR Regulations, 2015/ the Act or statutory enactments, rules made thereunder shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

### **4. DISCLOSURES ON COMPANY'S WEBSITE AND DISCLOSURES PRESERVATION PERIOD**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange 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 Documents Preservation Policy of the Company, as disclosed on its website.

### **5. REVIEW OF THE POLICY**

The Board of directors of the company shall review the policy on an annual basis. The authorized person shall provide regular assurance to the board of directors on the effectiveness of the Policy.