
CRITERIAL FOR DETERMINING MATERIALITY OF EVENTS

WEBTEL ELECTROSOFT LIMITED

1. PREAMBLE

- 1.1 **Regulation 30** of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) mandates disclosure of any events or information which, in the opinion of the Board of Directors of the Company (the “Board”), is material.
- 1.2 **Regulation 30(4)** of the SEBI Listing Regulations requires the Company to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein.
- 1.3 Accordingly, the Board of Directors of Webtel Electrosoft Limited has formulated this policy (“Policy”) at its meeting held on 7th December, 2024, for determination of materiality of events or information for disclosure.

2. OBJECTIVE OF THE POLICY

- a) The objectives of this Policy are as follows:
- b) To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly traded company as laid down by the Listing Regulations, various securities laws and any other legislations.
- c) To ensure that the information disclosed by the Company is timely and transparent.
- d) To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- e) To protect the confidentiality of material/ price sensitive information within the context of the Company’s disclosure obligations.
- f) To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- g) To ensure uniformity in the Company’s approach to disclosures, raise awareness and reduce the risk of selective disclosures.

3. DEFINITIONS

- (i) “**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- (ii) “**Board of Directors**” or “**Board**” means Board of the Directors of the Company.
- (iii) “**Key Managerial Personnel**” mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- (iv) “**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

- (v) **“Officer”** means any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors are accustomed to act and shall also include promoter of the Company.
- (vi) **“Policy”** means this Policy on Determination of Materiality of events and information and as may be amended from time to time.
- (vii) **“Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof/
- (viii) **“Schedule”** means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, or the Companies Act, 2013 and any other rules and regulations as drafted by SEBI from time to time be made shall have the meanings respectively assigned to them in those legislation.

4. AUTHORIZATION FOR DISCLOSURES

- 4.1 The following Key Managerial Personnel (“KMP”) of the Company are authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges. The KMP’s may also seek external legal advice in case of any ambiguity/clarification :
- a) Chairman and Chief Executive Officer
 - b) Managing Director
 - c) Chief Financial Officer
 - d) Company Secretary and Compliance Officer;
 - e) Such other officer, not more than one level below the Directors who is in Whole- Time employment, designated as key managerial personnel by the Board.
 - f) Such other officer as may be prescribed
- 4.2 The Compliance Officer shall be responsible for making disclosures to the Stock Exchanges. The contact details of the Compliance Officer shall be made available to the Stock Exchanges and shall also be available on the website of the Company.

5. DISCLOSURE OF EVENTS OR INFORMATION

Following Events/Information required to be disclosed:

- (1) Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.
- (2) Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.
- (3) The listed entity 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)

6. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The listed entity 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 listed entity
 - (ii) 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
 - (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 listed entity.
- d) In case where the criteria specified in sub-clauses (a) , (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.
Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.]

7. DISCLOSURE PROCESS

- 7.1 Any event purported to be reportable under **Regulation 30** of the Regulations shall be informed to the Key Managerial Person authorised by the Board, as defined above, on an immediate basis with supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation of KMPs.
- 7.2 The KMP authorised by the Board, shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
- 7.3 After evaluation, the Company Secretary and Compliance Officer in his absence any one of the KMPs shall make disclosure to the Stock Exchanges.

7.4 The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.

7.5 Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.

7.6 Regular updates, where relevant, shall be made with relevant explanations.

8. AMENDMENT

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

“ANNEXURE – A”

Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring

1. Explanation. -For the purpose of this sub-para, the word 'acquisition' shall mean:-
 - i. acquiring control, whether directly or indirectly; or,
 - ii. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - a) the listed entity 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-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
 - c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in subclause (c) of clause (i) of sub-regulation (4) of regulation 30

Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- i. 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 listed entity; or
- ii. 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.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013

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 or Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity 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 listed entity 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 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.
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity 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 listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity 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 listed entity or they are required to be disclosed in terms of any other provisions of these regulations

- 6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:
- 7. For the purpose of this sub-paragraph:
 - i. '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.
 - ii. 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.
- 8. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.

- 8A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 8B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- (i.) The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - (ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - (ii.) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - (iii.) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- 8C. 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.
- 8D. In case the Managing Director or Chief Executive Officer of the listed entity 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).
9. Appointment or discontinuation of share transfer agent.
10. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:(i)Decision to initiate resolution of loans/borrowings;(ii)Signing of Inter-Creditors Agreement (ICA) by lenders;(iii) Finalization of Resolution Plan;(iv) Implementation of Resolution Plan;(v)Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders].
11. One time settlement with a bank.
12. Winding-up petition filed by any party / creditors.
13. 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 listed entity.

14. Proceedings of Annual and extraordinary general meetings of the listed entity.
15. Amendments to memorandum and articles of association of listed entity
16. (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 listed entity to analysts or institutional investors.
 - (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:
 - (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:
17. Following events in relation to the corporate insolvency resolution process ("CIRP") of the Company as corporate debtor under the Insolvency and Bankruptcy Code, 2016, ("IBC") if applicable:
 - A. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - B. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
 - C. Admission of application by the tribunal, along with amount of default or rejection or withdrawal, as applicable;
 - D. Public announcement made pursuant to order passed by the tribunal under Section 13 of the IBC.
 - E. List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - F. Appointment / replacement of the resolution professional;
 - G. Prior or post-facto intimation of the meetings of committee of creditors;
 - H. Brief particulars of invitation of resolution plans under section 25(2)(h) of the IBC in the form specified under regulation 36A(5) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - I. Number of resolution plans received by resolution professional;
 - J. Filing of resolution plan with the tribunal;
 - K. Approval of resolution plan by the tribunal or rejection, if applicable;
 - L. Specific features and details of the resolution plan as approved by the adjudicating authority under the IBC, not involving commercial secrets such as:
 - (i) Pre and Post net-worth of the Company;
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;

- (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
 - (ix) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) Brief description of business strategy.
- M. Any other material information not involving commercial secrets;
- N. Proposed steps to be taken by incoming investor/acquirer for achieving the Minimum Public Shareholding (“MPS”);
- O. Quarterly disclosure of the status of achieving the MPS;
- P. The details as to delisting plans, if any approved in the resolution plan;
18. In case of initiation of forensic audit, following disclosures shall be made:
- (1) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
 - (2) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.
19. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
20. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following
- a) search or seizure; or
 - b) reopening 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.
 - 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 listed entity, quantifiable in monetary terms to the extent possible.
21. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior

management, promoter or subsidiary, in relation to the listed entity, 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
- i. any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- 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 listed entity, quantifiable in monetary terms to the extent possible.

22. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

For Webtel Electrosoft Limited

A handwritten signature in blue ink, appearing to be "Deven", written over the printed word "Director".

Director