

POLICY FOR DETERMINING MATERIALITY OF EVENTS

Adopted at the meeting of Board Meeting held on 14th August, 2023.

1. BACKGROUND:

The Board of Directors (the “**Board**”) of **STERLING POWERGENSYS LIMITED** (the “**Company**”) has approved the policy for the determination of materiality of events (the “**Policy**”), framed in accordance with the requirements of the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) as amended from time to time.

The Company shall be required to adhere to the reporting/ disclosure requirements, which shall arise out of the provisions of the Listing Regulations. Under the Listing Regulations, every listed company has to make disclosures in two scenarios, namely, mandatory disclosure and disclosures upon application of guidelines for materiality. The mandatory disclosures have to be made without application of the guidelines for materiality; while in the later circumstance, the Company to make disclosure of events based on application of the guidelines for materiality, as specified in the Listing Regulations.

2. OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

3. DEFINITION(S)

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of Sterling Powergensys Limited, as constituted from time to time.

“**Company**” means Sterling Powergensys Limited.

“**Key Managerial Personnel**” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“**Listing agreement**” shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**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 Clause 4 of the Policy.

In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“**Material Subsidiary**” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.

“**Policy**” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“Relevant Employees” shall encompass the head of the departments of the Company and one level below such Functional heads head of departments and shall include employees of the Company who deals with or comes into possession of potential material event or information in the course of the performance of his/her duties.

“Schedule” means Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information. The following criteria will be applicable for determination of materiality of event or information:

- 4.1 All events/information stated in Para A of Part A of Schedule III to the SEBI Regulations are deemed to be material.
- 4.2 The events, as specified in para B of Part A of Schedule III of the SEBI Listing Regulations, shall be considered as material subject to application of Guidelines mentioned in clause 4.3
- 4.3 In respect of events/information referred in clause 4.2 above the Authorized Officer 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; or
 - 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) above is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.
- 4.4 In addition to above quantitative criteria the following Qualitative factors shall also be considered

while determination of materiality of event/ information:

- a. Any event/ information which directly or indirectly may materially affect the reputation of the Company; or
- b. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
- c. Whether the event/ information is in the normal course of business or not; or
- d. Whether the event/ information represents a significant shift in strategy; or

Any other factor which is pertinent in the opinion of the Authorized Officer of the Company.

5. DISCLOSURES OF EVENTS OR INFORMATION

5.1 The Company shall disclose all events or information which are material in accordance with the Policy as soon as reasonably possible and in any case not later than the following:

- I. 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;
- II. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- III. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

5.2 Provided further that in case the disclosure is made after the timelines specified above of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

5.3 The Company shall disclose to the stock exchange(s) material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.

Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of any event/ information as specified by the Board from time to time.

6. AUTHORITY TO KEY MANAGERIAL PERSONNEL

Managing Director and Chief Financial Officer of the Company shall severally have the authority to determine Materiality of any event or information and Company Secretary and Compliance Officer shall make disclosures of the same to stock exchange(s), subject to the provisions of this Policy.

Any decision taken by them jointly shall be valid and binding on the Company. Their contact details shall be disclosed to the stock exchange and be placed on the Company's website.

However, wherever required, and considering any specific/ significant circumstances including business exigency/ calamities which may arise, either simultaneously or subsequently, approval of the Board / Executive Committee or Chairperson of the Board may be taken for disclosing any such event or information.

The above Authorized Officer are also empowered to seek appropriate counsel or guidance as and when deemed necessary. Further, they shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any event/information.

7. 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.

8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013, Regulations or statutory enactments, rules 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.

9. DISSEMINATION OF POLICY

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.