

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION & DISCLOSURE OF MATERIAL EVENTS / INFORMATION

Custodian: Compliance Officer

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1. STATUTORY MANDATE

The Board of Directors (The “Board”) of Kalpataru Power Transmission Limited (the “**Company**” or “**KPTL**”) has adopted the following policy and procedures with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges based on criteria as may be deemed necessary and has been adopted as part of this policy. The Board may review and amend this policy from time to time

This Policy will be applicable to the Company with effect from 1st December, 2015, in terms of Clause 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”).

2. OBJECTIVE OF THE POLICY AND SCOPE

The main objective of this policy is to determine the events and information which in the opinion of the Board are Material and needs to be disclosed to the Stock Exchanges in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”) as per the time span hitherto defined.

The policy is intended to define disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in KPTL regarding their responsibility about making available such events / information to public which may materially affect the performance of the company and thereby the share prices of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation on website, the events / information which are considered material and which needs to be disclosed to the Stock Exchange.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI’s LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

3. DEFINITIONS

“**Audit Committee or Committee**” means Audit Committee constituted by the Board of Director of the Company, from time to time under provisions of SEBI LODR, 2015 and the Companies Act, 2013

“**Board of Directors or Board**” means the Board of Directors of the Company, as constituted from time to time

“Company” means Kalpataru Power Transmission Limited.

“Independent Director” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI’s LODR, 2015.

“Policy” means Policy on Materiality of Events / Information & Disclosure of Material Events / Information.

“Material Events” are those that are specified in Para A of Part A of Schedule III of the LODR.

“Other Events” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub regulation (4) of Regulation 30 of LODR.

“LODR” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Key Managerial Personnel” (KMP) of the Company includes Managing / Whole time Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

4. POLICY STATEMENT

The Board of Directors of the Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock exchanges as per the time span specified against each category

OUTCOME OF MEETINGS OF THE BOARD OF DIRECTORS / COMMITTEE OF DIRECTORS

The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting of Board of Directors / Committee of Directors, held to consider the following without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation 30 of LODR:

- 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).

MATERIAL EVENTS

The Company shall first disclose to stock exchange(s) of all events, as specified in Para A of Part A of Schedule III as reproduced below, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation 30 of LODR:

- Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring), or sale or disposal of unit(s), division(s) or subsidiary of the listed entity or any other restructuring

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.
- 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.
 - Revision in Rating(s).
 - 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.
 - Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 - Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
 - Appointment or discontinuation of share transfer agent.
 - Corporate debt restructuring
 - One time settlement with a bank.
 - Reference to BIFR and winding-up petition filed by any party / creditors.

- 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.
- Proceedings of Annual and extraordinary general meetings of the listed entity.
- Amendments to memorandum and articles of association of listed entity, in brief.
- Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

Note: In case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay

OTHER EVENTS

The Company shall disclose to stock exchange(s) of all events, as specified in Para B of Part A of Schedule III as reproduced below, based on application of the guidelines for materiality, as specified in sub-regulation (4) of Regulation 30 of LODR.

- Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- 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).
- Capacity addition or product launch.
- Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business
- 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.
- 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.
- Effect(s) arising out of change in the regulatory framework applicable to the listed entity
- Litigation(s) / dispute(s) / regulatory action(s) with impact.
- Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity
- Options to purchase securities including any ESOP/ESPS Scheme
- Giving of guarantees or indemnity or becoming a surety for any third Party.
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

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.

The Company shall, with respect to disclosures referred to in SEBI LODR, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Materiality has to be determined on a case to case basis depending on the specific facts and circumstances relating to the event/ information. A particular event/information would be considered as material in nature if it satisfies either of the criteria proposed below:

- 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) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of the Company, the event / information is considered material.

If particular information or event in question satisfies any of the above mentioned criteria, the Company would be under an obligation to disclose the same to the stock exchange.

In order to determine whether any event / information is material or not, the Company shall apply following test:

1. Qualitative test:

a. Price impact test:

Any information directly or indirectly related to the Company, which if published is likely to materially affect the share price of the Company.

b. The reasonable investor test:

This test points towards information which is likely to be used by a reasonable investor for making investment decisions, therefore, likely to have a significant effect on the price of shares of the listed entity e.g. any significant information affecting:

- the assets, liabilities, or financial condition of the Company
- major developments in the business of the Company
- Information previously disclosed to the market.

2. The Board's discretion

The Board of Directors may opine from time to time for a particular event/ information to be considered material.

6. AUTHORITY FOR DETERMINING MATERIALITY OF EVENTS/ INFORMATION & DISCLOSURES

An Operating Committee, comprising of the Managing Director, the Chief Financial Officer and the Company Secretary of the Company, shall be the authority to determine the materiality of any event / information, classify it as a Material event / Information, decide the appropriate time at which disclosure is to be filed with the stock exchanges and details that may be filed in the best interest of present and potential investors.

The Operating Committee shall determine the credibility to the information and / or event and once the information / event has been set out in stone to a level of concretization, the information would be disclosed by the Company in a timely manner.

In case any Functional Head / Business Unit Head (BUH) becomes aware of some Material Information about the Company, the said Functional Head / BUH would contact any one of the members of the Operating Committee, who would then determine whether the information requires disclosure to the stock exchanges or not in accordance with provisions of SEBI LODR.

In some cases, to ascertain materiality, thresholds, the Operating Committee, shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information/event and while doing so, it may consider, among other factors, the following factors:

- Whether there would any direct or indirect impact on the reputation of the Company; or
- Whether non-disclosure can lead to creation of false market in the securities of the Company; or
- Whether there would be a significant impact on the operations or performance of the Company.

While disclosing any event / information to Stock Exchange under SEBI LODR, the Company shall ensure that such disclosure is in consonance with the Company's "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information."

7. DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

8. MARKET RUMOURS

The Company shall not comment, affirmatively or negatively, on market rumours. Should a stock exchange request that the Company make a definitive statement in response to a market rumor that is causing significant volatility in the securities of the Company, the Operating Committee shall consider the matter and content of the Company's response, such as confirming "no corporate development at this time" and shall provide specific and adequate reply on same.

9. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention & archival policy of the Company.

10. AUTHORITY TO COMPLIANCE OFFICER FOR DISCLOSURE TO STOCK EXCHANGES

The Compliance officer of the Company shall be authorised for making disclosure to the Stock Exchange. The contact details of Compliance officer shall be also disclosed to the stock exchange(s) and as well as on the website of the Company.

11. POLICY REVIEW AND BOARD'S APPROVAL

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors

This policy was approved by the Board of Directors on 1st December, 2015.