



KALPATARU PROJECTS INTERNATIONAL LIMITED

(Formerly Kalpataru Power Transmission Limited)

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

Custodian : Compliance Officer
Approved by : Board of Directors
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1. STATUTORY MANDATE

The Board of Directors (the “**Board**”) of Kalpataru Projects International Limited (the “**Company**” or “**KPIL**”) (Formerly Kalpataru Power Transmission Limited) has adopted the following policy and procedures with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”).

This Policy has been prepared in terms of Regulation 30 of the LODR. The original policy was made effective from 1st December 2015.

On 14th June 2023, SEBI notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“**LODR 2023 Amendment**”) which came into force on 14th July 2023. Under the said LODR 2023 Amendment, SEBI has *inter alia* amended Regulation 30 of the LODR that deals with disclosure of events or information by a listed entity. In view of same, this Policy was amended and readopted by the Board of Directors of the Company at its meeting held on 11th August, 2023 in accordance with the provisions of LODR 2023 Amendment.

2. OBJECTIVE OF THE POLICY AND SCOPE

The objective of this Policy is to fix criteria for determination of materiality of events or information in relation to Company, to ensure timely and adequate disclosure of material events or information to the stock exchange(s) and to assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial personnel, for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

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(s).

3. DEFINITIONS

“**Act**” means the Companies Act, 2013 including the rules, schedules, clarifications, and guidelines issued by the Ministry of Corporate Affairs and any amendment thereto and/or modification thereof from time to time.

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

“**Company**” means Kalpataru Projects International Limited.

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

“**Senior Management Personnel**” means such officers of the Company designated as Senior Management Personnel by the Nomination and Remuneration Committee and Board of the Company.

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

“**Key Managerial Personnel**” (KMP) means key managerial personnel as defined under sub-section (51) of section 2 of the Act.

All other words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the LODR, the Act, Securities and Exchange Board of India Act, 1992 and any other law applicable to the Company for time being in force and/or as may be restated and/or modified from time to time.

4. **EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR (as applicable to the Company from time to time) (“**Para A Events**”) without any application of the guidelines for materiality.

5. **CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

The Company shall disclose all such events or information which are specified in Para B of Part A of Schedule III of the LODR (as applicable to the Company from time to time) (“**Para B Events**”) to the stock exchange(s) upon application of the guidelines for materiality within the timelines as prescribed under the LODR.

Materiality of an event or information for disclosure shall be determined on a case to case basis depending on the specific facts and circumstances relating to the events/ information and the Company shall take guidance from the provisions of LODR (including any subsequent amendments thereto) and circular(s) issued by the SEBI/ stock exchange(s), from time to time. The Company shall consider the following criteria for determination of materiality of an event/ information:

1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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
3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - a. Two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - b. Two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - c. Five percent of the average of absolute value of profit or loss after tax, as per the last 3 (three) audited consolidated financial statements of the Company.
4. In case where the criteria specified in sub-clauses (1), (2) and (3) are not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material. For the purpose of same, the Key Managerial Personnel(s)

of the Company are authorized to determine such materiality and they can put up specific matters before the Board of Directors for its assessment, if need be.

The Company shall also disclose 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.

5. Without prejudice to the generality of the above, the Company may make disclosures of event/ information as specified by the Board of Directors of the Company, from time to time.

6. EVENTS TO BE DISCLOSED IN CASE OF LISTED NON-CONVERTIBLE SECURITIES

The Company shall disclose all information which shall have bearing on performance/operation of the Company or is price sensitive or shall affect payment of interest or dividend or redemption payment of non-convertible securities issued by the Company including information specified in Part B of Schedule III of the LODR (as applicable to the Company from time to time) (“**Part B Events**”) as specified in sub-regulation (2) of Regulation 51 of the LODR.

7. TIMELINES FOR DISCLOSURE OF EVENTS/ INFORMATION WITH THE STOCK EXCHANGE(S)

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the LODR 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 Company;
- iii. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Further, disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the LODR shall be made within such timelines.

In case the disclosure is made after the stipulated timeline, the Company shall provide rationale for the delay along with the disclosures.

The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

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

To ensure that the Company duly complies with its disclosure obligations, the Executive Directors and Senior Management Personnel of the Company shall be

responsible for identifying any potential material event or information that will require reporting to stock exchange(s) and to report the same to the Operating Committee (detailed hereunder). The process of disclosure shall be in line with the internal guidelines developed by the Company with key principles detailing the statutory requirements, “Relevant Employees and Departments” of the Company within the ambit of Executive Directors and Senior Management Personnel who shall be responsible for identifying any potential material event or information that will require reporting to stock exchange(s), reporting procedures to be followed across the Company, internal communication and sensitization etc. The Key Managerial Personnel(s) are responsible to maintain such updated internal guidelines and create awareness within the responsible employees on the disclosure obligations.

An Operating Committee, comprising of the Key Managerial Personnel(s) namely Managing Director & CEO, the Dy. 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 the Executive Directors and Senior Management Personnel & the Relevant Employees thereunder, becomes aware of any material information about the Company, such person should contact any one of the members of the Operating Committee, who would then put up the matter before the Operating Committee to 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.”

9. DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company. The internal guidelines also contain relevant department(s) and employees of the subsidiaries, who are responsible to report the event or information to any member of Operating Committee so that the Company duly complies with its disclosure obligations.

10. 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.

In terms of Regulation 30(11) of the LODR, if the Company qualifies to be a Top 250 listed entity based on market capitalization, it shall (with effect from April 1, 2024) confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of LODR are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information.

11. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES

The Company shall update all disclosures made under Regulation 30 of LODR to the stock exchanges on its website and shall be continued to be hosted on the website for a minimum period of five years and thereafter archived as per Policy for preservation of document & Archival Policy of the Company.

12. 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(s). 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.

13. POLICY REVIEW AND BOARD'S APPROVAL

This policy shall be subject to review as may be deemed necessary (atleast once every 3 years) and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.