

KPT Industries Limited

Policy on Determination of Materiality of Events or Information

1. Legal framework

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as 'Listing Regulations'), mandates disclosure of any events or information which, in the opinion of the Board of Directors of KPT Industries Ltd., (the "Company"), is material. Regulation 30(4) of the Listing Regulations requires every listed entity to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges.

2. Scope

This Policy for determination of Materiality of Events or information is aimed at providing guidelines to the management of the Company to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange (as hereinafter defined).

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

3. Definitions

- i. "Act" means the Companies Act, 2013 (and the Rules made thereunder)
- ii. "Board of Directors" or "Board" means the Board of Directors of the Company.
- iii. "Company" means KPT Industries Ltd.,
- iv. "Key Managerial Personnel" mean key managerial personnel as defined in sub section (51) of section 2 of the Companies Act, 2013.
- v. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. "Material Event" or "Material Information" shall mean such event or information as set out in the Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.
- vii. "Policy" means the policy for determination of materiality, as amended from time to time.
- viii. "SEBI" means the Securities and Exchange Board of India.
- ix. "Rules" means the rules made under the Companies Act, 2013.
- x. "Stock Exchange" means Stock Exchange where the securities of the Company is / are listed or proposed to be listed.

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

4. Criteria for determination of materiality of events / information

Pursuant to the provisions of Regulation 30 (4) of Listing Regulations the Board shall consider the following criteria for determining whether the event is material or not:

- a) Any event or information, the omission of which may likely to result in discontinuity or alteration of event or information already available publicly; or
- b) Any event or information, the omission of which may likely to result in significant market reaction if the said omission came to light at a later date; or
- c) Omission of event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - Two percent of turnover, as per the last audited financial statements;
 - Two percent of net worth, as per the last audited financial statement , except in case the arithmetic value of the net worth is negative;
 - Five percent of the average of absolute value of profit or loss after tax, as per the last three audited financial statements.
- d) Where above criteria as per (a), (b) and (c) 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.

5. Guidelines for disclosure of event / information

- a) Disclose to Stock exchange all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:
 - i) Thirty minutes from 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.
 - iv) Disclosure of events for which timelines have been specified in Part A of Schedule III shall be made within such timelines. If disclosure is made after timelines specified, explanation for delay shall be provided.
- b) Events shall be disclosed in the following manner:
 - i. Inform the stock exchanges in which the securities of the Company are listed;
 - ii. Upload on the website of the Company.
- c) Events / information specified in Point 4 of Part A of Annexure 'A' i.e. outcome of Meeting of Board of Directors shall be made within 30 minutes of the conclusion of the Board Meeting.
- d) Provided further that disclosures with respect to events specified in sub-para 4 of Para A of Part A (reproduced in Annexure 2 of this Policy) of Schedule III shall be made within thirty minutes of the conclusion of the Board Meeting.
- e) The Company shall make disclosures of events specified in Annexure 'B' based on application of guidelines for determining materiality as per clause 4 of the Policy.

- f) The Company shall, with respect to events / information specified in Annexure 'A' & B, make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanation.
- g) The Company shall disclose on its website all such events or information which has been disclosed to stock exchange and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per policy of the Company, as disclosed on its website.

6. Authorization to determine materiality and give disclosure to stock exchange:

The Board of Directors have severally authorized the whole-time Director or Managing Director or Company Secretary of the Company for the purpose of determining materiality of events or information and for the purpose of making disclosures to stock exchange under this Policy. Details of such personnel shall also be disclosed to the stock exchange and on the website of the Company.

7. Amendment:

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.

Annexure A - 1

Events which shall be disclosed without any application of the guidelines for Materiality:

1. 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 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.
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. Revision in Rating(s).
4. 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.
5. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

- 6A. 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.
- 6B. 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.
7. Appointment or discontinuation of share transfer agent.
8. 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.
9. One time settlement with a bank.
10. Reference to BIFR and winding-up petition filed by any party / creditors.
11. 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.
12. Proceedings of Annual and extraordinary general meetings of the listed entity.
13. Amendments to memorandum and articles of association of listed entity, in brief.
14. (a) Schedule of analysts or institutional investors 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:The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.
15. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - 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 Insolvency Code;
 - e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (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 Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (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 Insolvency Code, not involving commercial secrets, including details 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 personnel], 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.

Annexure A -2

Events which shall be disclosed within 30 minutes of the closure of the meeting of the Board of Directors:

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)

Annexure – B

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
 2. 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).
 3. Capacity addition or product launch.
 4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
 5. 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.
 6. 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.
 7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
 8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
 9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
 10. Options to purchase securities including any ESOP/ESPS Scheme.
 11. Giving of guarantees or indemnity or becoming a surety for any third party.
 12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- C. 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of Annexure 'A-1', 'A-2' & 'B' above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

For, **KPT Industries Limited**

Dilip Kulkarni
MANAGING DIRECTOR

Place: Shirol

Date: February 07, 2024
