KIRLOSKAR ELECTRIC COMPANY LIMITED

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POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

[Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of directors of the company has amended this Policy at its meeting held on May 28, 2018 and the Board may amend this Policy from time to time.

1. Purpose & Scope of the policy:

This policy is framed as per the requirement of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as "LODR") intended to circulate and disseminate such information which in the view of the management is material for the purpose of promoting greater transparency.

2. Identification of materiality of information:

1. Events specified in Annexure I of LODR shall be considered to be "material event"
2. The following criteria shall be adopted for determining the materiality of events / information specified in Annexure II of LODR.
    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 Kirloskar Electric Company Limited, the event / information is considered material.

3. Persons authorized to determine materiality:

In terms of the provisions of regulation 30(5) of the Listing Regulations, Managing Director (MD) of the company shall be responsible for determining the materiality of an event/information and for making disclosure of such event/information to the Stock Exchanges.

4. Disclosure framework

a. all events specified in Annexure I shall first be disclosed to stock exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information

b. The disclosure with respect to events specified in point no. 4 of Annexure I shall be made within thirty minutes of the conclusion of the board meeting.

c. With respect to disclosures referred to above, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

d. Disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years.

e. Disclose all events or information with respect to Subsidiaries which are material for the company.

5. Amendments to the Policy

This Policy shall be subject to review as may be deemed necessary by the board of directors in accordance with regulatory amendments.

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.

Contact details of MD

P.B. No. 5555, Malleshwaram West,
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Annexure I

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 Company or any other restructuring

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. Outcome of Meetings of the board of directors: The Company 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 Company from stock exchange(s).

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 company), 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.

6. Fraud/defaults by promoter or key managerial personnel or by the company or arrest of key managerial personnel or promoter.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.

8. Appointment or discontinuation of share transfer agent.

9. Corporate debt restructuring.

10. One time settlement with a bank.

11. Reference to BIFR and winding-up petition filed by any party / creditors.

12. 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 company.

13. Proceedings of Annual and extraordinary general meetings of the company.

14. Amendments to memorandum and articles of association of the company, in brief.

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the company to analysts or institutional investors;

Annexure II

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 company 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 company
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the company.
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

Others:

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.