

POLICY FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION

1. INTRODUCTION AND POLICY OBJECTIVES:

- 1.1. Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), every listed entity is required to make disclosures of any events or information which, in the opinion of the board of directors of the listed entity, is material. Events specified in Para A of Part A of Schedule III are deemed to be material events and a listed entity shall make disclosure of such events without application of the guidelines for materiality. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on the application of the guidelines for materiality, as specified in Regulation 30(4) of the Listing Regulations. As per Regulation 30(4)(ii), a listed entity shall frame a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by its board of directors, which shall be disclosed on its website.
- 1.2. In view of the aforesaid, the Board of Directors (“**Board**”) of Kirloskar Oil Engines Limited (“**KOEL / the Company**”) has adopted the ‘Policy for Determination of Material Events or Information’ (“**Policy**”) as required under Regulation 30(4)(ii) of the Listing Regulations in its meeting held on 28th October 2015 which was effective from 1st December 2015.
- 1.3. On 14th June 2023, SEBI has 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 Listing Regulations that deals with disclosure of events or information by a listed entity. Under the LODR 2023 Amendment, Regulation 30(4)(i) that sets out the criteria for determination of materiality of events/ information specified in Para B of Part A of Schedule III, has been amended. In view of the aforesaid, this Policy was amended by the Board of Directors of the Company in accordance with the provisions of LODR 2023 Amendment.
- 1.4. On 12th December 2024, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 (“**LODR 2024 Amendment**”) which came into effect on the same date, except in case of certain amendments as specifically set out in the LODR 2024 Amendment. Under the said LODR 2024 Amendment, SEBI has *inter alia* amended Regulation 30(6) that sets out timelines for disclosures of events or information to the Stock Exchanges (*defined below*). In view of the aforesaid, this Policy has been amended by the Board of Directors of the Company to bring the same in line with the provisions of the LODR 2024 Amendment.
- 1.5. The objective of the Policy is:
 - 1.5.1. To assist the Relevant Employees and Relevant Persons in identifying any potential material event or information and reporting the same to the Managing Director, Chief Financial Officer or the Company Secretary of the Company, who have been authorized by the Board of Directors of the Company for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) where the securities of the Company are listed (“**Stock Exchanges**”) (collectively referred to as the “**Authorised KMP**”).

For the purpose of this Policy, “**Relevant Employees**” shall include:

- a) Key Managerial Personnel (*as defined under the Companies Act, 2013*) of the Company;
- b) Senior management personnel i.e., the officers and personnel of the Company who are members of its core management team (excluding the Board of Directors), and shall also comprise of all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company.
- c) Such other persons as may be determined as Relevant Employee by the Authorized KMP or the Board of Directors.

For the purpose of this Policy, “**Relevant Persons**” shall include:

- a) Promoters (*as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*) of the Company; and
- b) Directors of the Company.

1.5.2. To assist and guide the Authorised KMPs in determining materiality of the events or information and for making necessary disclosures to the Stock Exchanges, as per Regulation 30 of the Listing Regulations.

1.6. This amended Policy will be effective from 11th February 2025.

1.7. In the event of any conflict between the terms of this Policy and the Listing Regulations (as amended from time to time), the provisions of the Listing Regulations shall prevail.

2. **DISCLOSURE OF EVENTS OR INFORMATION:**

2.1. As stated above, the events or information specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material and shall be disclosed by the Company to the Stock Exchanges, without the application of any materiality thresholds specified in this Policy.

2.2. The events or information specified in Para B of Part A of Schedule III of the Listing Regulations shall be disclosed to the Stock Exchanges based on application of the materiality criteria, as laid out in Clause 3 of this Policy.

2.3. Any other event or information *viz.* major development that is likely to affect the business of the Company significantly, in the opinion of the Board of the Company, shall be disclosed to the Stock Exchanges, such as:

- a. Emergence of new technologies;
- b. expiry of patents;
- c. any change of accounting policies that may have a significant impact on the accounts of the Company and brief details thereof; and

- d. 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.

2.4. The Company may make disclosures of event/information as specified by SEBI from time to time.

2.5. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on the Company as determined by the Board of the Company or Authorized KMPs in accordance with Clause 3.4 of this Policy, the Company is required to make adequate disclosures in regard thereof.

3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

The Company shall determine an event or information specified in Para B of Part A of Schedule III of the Listing Regulations to be material if:

- 3.1. the omission of such event or information is likely to result in discontinuity or alteration of event or information already available publicly; or
- 3.2. the omission of such event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
- 3.3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - a. 2% (two percent) of turnover, as per the last audited consolidated financial statements of the Company;
 - b. 2% (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. 5% (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.

The Company Secretary of the Company shall, upon completion of audit of the Company's financial statements for each financial year, intimate the Relevant Employees, Relevant Persons and the Authorised KMPs, of the aforesaid values for each financial year.

- 3.4. Where the criteria specified above in sub-clauses 3.1, 3.2 and 3.3 is not applicable, an event or information may be treated as being material, if in the opinion of the Board of the Company or the Authorised KMPs, the event or information is considered material. Provided that any continuing event or information which becomes material pursuant to notification of the LODR 2023 Amendment, shall be disclosed by the Company within 30 (thirty) days from the date of coming into effect of the LODR 2023 Amendment i.e., on or before 13th August 2023.
- 3.5. The Board of the Company has authorized the Authorised KMPs for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) under Regulation 30 and the contact details of such personnel shall be also disclosed to the Stock Exchange(s) and as well as on the Company's website.

4. TIMELINES FOR DISCLOSURES TO THE STOCK EXCHANGES:

4.1. The Company shall first disclose to the Stock Exchange(s) all events or information which are material in terms of the provisions of this Policy and Regulation 30 of the Listing Regulations, as soon as reasonably possible and in any case not later than the following:

- a. 30 (thirty) minutes from the closure of the Board meeting in which the decision pertaining to the event or information has been taken;

However, in case the Board meeting closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the Board meeting.

Further, in case the Board meeting is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

Explanation: Normal trading hours shall mean the time period for which the Stock Exchanges are open for trading for all investors.

- b. 12 (twelve) hours from the occurrence of event or information, where the event or information is emanating from within the Company;
- c. 24 (twenty four) hours from the occurrence of event or information, where the event or information is not emanating from within the Company.
- d. However, if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III i.e., any pending litigation(s) or dispute(s) or the outcome thereof which may have impact on the Company, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the Stock Exchange(s) within 72 (seventy-two) hours of receipt of the notice by the Company.

4.2. Disclosures with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

4.3. In case the disclosure is made after the timelines specified under Regulation 30, the Company shall, along with such disclosure provide the explanation for the delay.

5. MISCELLENIOUS:

- 5.1. The Company shall make disclosures, updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- 5.2. All events or information which have been disclosed to the Stock Exchanges in accordance with this Policy, shall be disclosed on the website of the Company and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) financial years and thereafter as per the 'Archival Policy' of the Company.
- 5.3. The Company shall disclose all events or information with respect to its subsidiaries which are material for the Company, as per criteria specified below:

5.3.1. Listed Subsidiaries: Subsidiaries listed on the Stock Exchange(s)

The Company shall disclose all material event or information disclosed by Listed Subsidiary to the Stock Exchanges as per the Listing Regulations and to the Company, if such event or information are material to the Company as per the terms of this Policy.

5.3.2. Unlisted Subsidiaries: Subsidiaries not listed on the Stock Exchange(s)

The Company shall disclose all events or information with respect to Unlisted Subsidiaries, which are material for the Company as per the terms of this Policy.

- 5.4. The Board shall be entitled to amend or modify this Policy in whole or in part, at any time, when it deems appropriate or pursuant to any amendment to the applicable provisions of the Listing Regulations.
- 5.5. All links to access the Listing Regulations including Part A of Schedule III of the Listing Regulations, as amended from time to time (including LODR 2024 Amendment) are set out below and the same are also available on the website of SEBI:

- a) <https://www.sebi.gov.in/legal/regulations/jun-2023/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-regulations-2015-last-amended-on-june-14-2023-73041.html>
- b) <https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-third-amendment-regulations-2024-89956.html>

**For and on behalf of the Board of Directors
of Kirloskar Oil Engines Limited**

**Sd/-
Gauri Kirloskar
Managing Director**

**Place: Pune
Date: 11th February 2025**