

ALSTOM INDIA LIMITED

**POLICY FOR DETERMINATION OF MATERIALITY
OF EVENT OR INFORMATION**

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1.0 PREAMBLE:

- 1.1 This Policy of Alstom India Limited ("Company") shall be known as "Alstom India Limited: Policy on determination of materiality of Event or Information" (hereinafter referred to as "the Policy").
- 1.2 The Policy has been framed pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as the "Regulations").
- 1.3 The Policy has been approved by the Board of Directors of the Company.
- 1.4 The Policy shall come into force effective 01 December 2015.

2.0 OBJECTIVES OF THE POLICY:

- 2.1 This policy aims to ensure compliance with corporate governance principles by promoting disclosure and transparency. Regulation 30 of the Regulations requires listed entities to provide timely information to the Stock Exchange(s) of all the events which will have bearing on the performance / operations of the Company as well as any price sensitive information. The objective is to ensure fairness and efficiency in the market by applying the following two factors:
 - (a) Timely disclosure of relevant information by listed companies to investors; and
 - (b) Adequacy and accuracy of the information disclosed.
- 2.2 The Company shall make disclosures to Stock Exchange(s) at the time of occurrence of the event/information and where applicable, make periodic disclosures on the associated material developments till such time the event is resolved/closed.

3.0 DEFINITIONS/TERMS USED:

- 3.1 The term 'material' wherever appears in the policy shall mean any event or occurrence or transaction or arrangement which, in the opinion of the Board of Directors/ "Committee for determining materiality of an Event or Information" (hereinafter referred to as "Committee"), is significant to the operations or performance of the Company.
- 3.2 "Price sensitive information" means any information:
 - (a) which relates directly or indirectly to the Company and which if published is likely to materially affect the price of the securities of company.
 - (b) is likely to be used by a reasonable investor as a reasonable part of the basis of his investment decisions and therefore likely to have a significant effect on the price of securities of the Company.
- 3.3 "Compliance Officer" means the Company Secretary of the Company, so appointed.

- 3.4 "Company" means ALSTOM India Limited.
- 3.5 "Stock exchange(s)" means the stock exchange(s) where the securities of the Company are listed.

4.0 CLASSIFICATION OF MATERIAL EVENTS/INFORMATION

4.1 Deemed to be material information

The events specified in Para A of Part A of Schedule III of the Regulations shall be deemed to be material events / information and the disclosure of these events shall be made as soon as reasonably possible to the stock exchanges. These events have to be necessarily disclosed without applying any test of materiality.

4.2 Events/Information on which guidelines for materiality will apply

The events specified in Para B of Part A of Schedule III of the Regulations shall be subject to determination if they are material events / information, on the basis of guidelines for materiality as set out in this Policy.

- 4.3 The Company may 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 financial statements, 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 the said securities.

5.0 DETERMINATION OF MATERIALITY

- 5.1 Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/event under para 4.2. In order to determine whether a particular event/information is material in nature, the Company may consider the 'quantitative' and / or 'qualitative' criterion(s) mentioned below.

- a. **Quantitative criteria** : any event / information where the value involved or the impact exceeds 10% of the gross turnover or revenue or total income; or 20% of the net worth, whichever is lower.

The above threshold shall be determined on the basis of latest audited financial statements.

- b. **Qualitative criteria** : any event / information:

- (i) the omission of which is likely to result in a discontinuity or alteration of event or information already available publicly; or
- (ii) the omission of which is likely to result in significant market reaction if the said omission came to light at a later date;

- (iii) In case where the criteria specified in (i) and (ii) above are not applicable, an event/information may be treated as material if in the opinion of the Board of Directors the event / information is considered material.

Note: In circumstances where 'quantitative' test may not be applicable, 'qualitative' test may be applied to determine materiality.

6.0 AUTHORITY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

6.1 The authority for determining materiality of an event or information and making disclosure of the same to the Stock Exchanges lies with the majority of the members of the Committee, which shall comprise of the following members:

- a. Managing Director or in his absence, the Whole Time Director;
- b. Chief Financial Officer;
- c. Company Secretary

7.0 DISCLOSURE OBLIGATIONS

7.1 MANDATORY DISCLOSURES

The Compliance Officer, or in his absence, the Chief Financial Officer shall disclose to the stock exchange(s) all deemed to be material events/information as soon as reasonably possible and not later than twenty four (24) hours from the occurrence of events or information.

Further, with respect to events specified in sub-para 4 of Para A of Part A of Schedule III of the Regulations, the disclosures to the stock exchange(s) shall be made within 30 minutes of the conclusion of the respective Board Meeting in which such event was considered / approved.

7.2 DISCRETIONARY DISCLOSURES

All such events/information which the Committee/Board determines to be material/price sensitive information shall be disclosed by the Compliance officer or in his absence, the Chief Financial Officer to the Stock Exchange(s) as soon as reasonably possible and not later than twenty four (24) hours from the decision of the Committee/Board.

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

8.0 CONTACT DETAILS

The contact details of Committee members shall be made available to the Stock Exchange(s) and is also available on the website of the Company viz. www.alstomindiainvestorrelations.com

**SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015**

PARA A OF PART A OF SCHEDULE III

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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. 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).
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 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.
 6. Fraud/defaults by promoter or key managerial personnel or by listed entity 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 listed entity.
 13. Proceedings of Annual and extraordinary general meetings of the listed entity.
 14. Amendments to memorandum and articles of association of listed entity, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

PARA B OF PART A OF SCHEDULE III

Events which shall be disclosed upon application of the guidelines for materiality (w.e.f. 01 December 2015) referred to in 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.