

NIIT LIMITED

Version 1.4

*Policy on determination
of material/price
sensitive information
w.e.f. August 11, 2023*

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VERSION HISTORY

VER. NO.	PREPARED BY	APPROVED BY	RELEASE DATE	REASONS FOR NEW RELEASE
1.0	Legal Service Organisation	Board of Directors	21-Oct-15	Baseline Version
1.2	Legal Service Organisation	Board of Directors	24-Jan-19	Updation
1.3	Legal Service Organisation	Board of Directors	24-May-2023	Amendment in Listing Regulations
1.4	Legal Service Organisation	Board of Directors	11-Aug-2023	Amendment in Listing Regulations

1. PREAMBLE:

- 1.1 This Policy (hereinafter referred to as “Policy”) shall be called “Policy on determination of material/price sensitive information” of the Company.
- 1.2 This Policy has been framed in compliance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”). Regulation 30 of Listing Regulations, inter-alia, mandates every Listed Company to disclose events or information to Stock Exchanges, which in the opinion of Board of Directors is material. Some of the events are specified in the Para A of Part A of Schedule III of Listing Regulations which shall be deemed to be material events and some events have been specified in Para B of Part A of Schedule III of Listing Regulations, the disclosure of which shall be based on the application of the guidelines for materiality. To determine the parameters of materiality of event/information, this policy has been framed.
- 1.3 Pursuant to amendment in Listing Regulations, this revised and amended Policy has been adopted by the Board of Directors of the Company at its meeting held on January 24, 2019. This Policy shall be effective immediately.

This Policy was amended w.e.f. January 24, 2019 to align the Policy with various amendments in Listing Regulations. Further, the Policy was amended on May 24, 2023 to align the Policy with various amendments in Listing Regulations. Thereafter the Policy was amended on August 11, 2023 to further align the Policy with various amendments in Listing Regulations.

This Policy version 1.4 comes into effect w.e.f. August 11, 2023.

This Policy will supersede the Company's old Policy on determination of material/price sensitive information which was adopted by the Board of Directors at its meeting held on May 24, 2023.

2. OBJECTIVES OF THE POLICY:

This policy aims to ensure compliance with corporate governance principles by promoting disclosure and transparency. Regulation 30 of the Listing Regulations requires listed entities to immediately inform 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. Hence, the objective is to ensure fairness and efficiency in the market by applying the following two factors:

- (a) Timely disclosure of relevant information by the Company to investors; and
- (b) Adequacy and accuracy of the information disclosed.

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. DEFINITIONS/TERMS USED:

- 3.1 The term **‘material’** wherever appears in the policy shall mean any individual transaction or arrangement which, in the opinion of the Board of Directors/authorized officials, 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 a company and which if published is likely to materially affect the price of securities of company.
 - (b) is likely to be used by a reasonable investor as 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 NIIT Limited.
- 3.5 **“Stock exchange(s)”** means the stock exchange(s) where the securities of the Company are listed.

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

4. CLASSIFICATION OF MATERIAL EVENTS/INFORMATION

I. Deemed to be material information

These are the events that are specified in Para A of Part A of Schedule III and the disclosure of these events shall be made immediately. These events have to be necessarily disclosed without applying any test of 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) , whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company 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 existing or to be incorporated, whether directly or indirectly, such that -
 - (a) the Company 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, or;

(c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub clause (a) of clause (5) given below.

Explanation: A. For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i). an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or
- (ii). an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub clause (a) of clause (5) given below.

Explanation B. For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

- 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) New Rating(S) or Revision in Rating(s).
- 4) Outcome of Meetings of the Board of Directors of the Company in relation to the following matters:
 - 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 from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered
- 5) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or

impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Further, such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of Listing regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that Company shall or shall not act in a particular manner.

- 6) Fraud or defaults by Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- (i). ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (ii). ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, the Company would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.

- 7) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.
- (7A) In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- (7B) In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
 - 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.

- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the Company to the stock exchanges.
 - 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 Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- (7C) In case of resignation of Key Managerial Personnel, Senior Management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Company within seven days from the date that such resignation comes into effect.
- (7D) In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchanges.⁸⁾
- Appointment or discontinuation of share transfer agent.
- 9) 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.
- 10) One time settlement with a bank.
- 11) 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) (a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors.
Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.
- (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:

16. 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 persons(s), 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.
 - m) Any other material information not involving commercial secrets.
 - n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - o) Quarterly disclosure of the status of achieving the MPS;
 - p) The details as to the delisting plans, if any approved in the resolution plan.
17. In case an event or information is required to be disclosed by the Company under this clause, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company and is not already made available in the public domain by the listed entity.
Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) search or seizure; or
 - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- (a) suspension;
 - (b) imposition of fine or penalty;
 - (c) settlement of proceedings;
 - (d) debarment;
 - (e) disqualification;
 - (f) closure of operations;
 - (g) sanctions imposed;
 - (h) warning or caution; or
 - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) initiated, taken or orders passed:
- i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;

- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
- 21. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013
- 22. Any other Event/ Information as may be required as per the Act and Listing Regulations from time to time.

II) Events/Information on which guidelines for materiality will apply

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the Company which has or may have an impact on the Company
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

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 the said securities.

5. DETERMINATION OF MATERIALITY

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

- a. **Quantitative criteria** to determine materiality shall become applicable to an event / information where the value involved or the expected impact in terms of value, exceeds the lower of the following:
 - I. two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - II. 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;
 - III. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company
- b. **Qualitative criteria** to determine materiality shall become applicable to an event / information, the omission of which is likely to :
 - (i) result in a discontinuity or alteration of event or information already available publicly; or
 - (ii) result in significant market reaction if the said omission came to light at a later date;

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

6. AUTHORITY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

The authority for making decision to disclose the material information/event lies with the majority of the members of the Committee for Determining Materiality of an Event or Information (hereinafter referred to as 'Committee'), which shall consist of the members as stated below:

- a. Managing Director
- b. Joint Managing Director
- c. Chief Executive Officer
- d. Chief Financial Officer
- e. Compliance Officer
- f. Head Investor Relations (or person holding similar position)

The Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy.

The employees of the Company shall refer this policy for identifying any potential material event or information and shall report the same to the aforementioned authorized Officials, who are authorized for determining the materiality of the any event or information and for making the necessary disclosures to the stock exchanges.

7. DISCLOSURE OBLIGATIONS

Based on the decision of Committee/Board, the Compliance officer shall be responsible for making disclosure to the Stock Exchange. The contact details of Compliance Officer shall be made available to the Stock Exchange(s) and shall be made available on the website of the Company.

a. MANDATORY OBLIGATIONS

The Company shall disclose to the stock exchanges all events or information which are material in terms of the provisions of Listing Regulations 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:

In case of the disclosure is made after the aforementioned timelines of occurrence of event or information, the Company shall, along with such disclosures provide explanation for delay.

Further, disclosure with respect to events for which timelines have been specified under point no. 4 shall be made within such timelines.

b. DISCRETIONARY OBLIGATIONS

The Company may promptly inform the stock exchange(s), of all such events/information which the Committee is of the opinion that it is material/price sensitive information, irrespective of the quantitative value involved.

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. AMENDMENTS TO THE POLICY

The Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Board of Directors of the Company reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s).

9. PUBLICATION OF POLICY

The policy shall come into effect immediately. A copy of the policy shall be made available on the website of the Company.