

# NIIT LIMITED

Version 1.2

*Policy on determination  
of material/price  
sensitive information  
w.e.f. January 24, 2019*

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**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 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 October 21, 2015.

**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.

### 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) or subsidiary of the Company 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 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.
- 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 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).
- 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 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.
- (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. 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 detailed reasons as specified in sub-clause (i) above.]
- 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;
16. 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. 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.

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 impact exceeds 10% of the gross turnover or revenue or total income; or exceeds 20% of the net worth (lower threshold shall be taken as a trigger).

The above threshold shall be determined on the basis of audited consolidated financial statements of last audited financial year.

- 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

## 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 all deemed to be material events/information as soon as reasonably possible and not later than twenty four hours (24 hrs) from the occurrence of events or information.

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

Further, with respect to events specified under point 4(l)(4), disclosure shall be made within 30 minutes of the conclusion of the Board Meeting.

**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.