

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION**

(As reviewed and adopted in the meeting of Board of Directors held on 01.09.2015, subject to up-dation to comply with SEBI Circulars from time to time.)

### **1. Introduction:**

The Board of Directors (the “**Board**”) of NAM Securities Limited (NSL) has adopted this policy for determination of materiality of event or information for facilitating prompt disclosure of material information to the stock exchange(s).

This Policy has been prepared in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”)

### **2. Purpose of the Policy:**

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company discloses events / information specified in para A Part A of Schedule III of the Listing Regulations, and if material, para B of the Part A of Schedule III to the Stock Exchanges.

### **3. Guidelines for determining materiality of events/ information:**

The following factors shall be considered for determining materiality of any event/information:

- The omission of an event/ information which is likely to result in discontinuity or alteration of event or information which is already available publically. or
- The omission of event/ information which might result in significant market reaction, if the said omission come to light at a later date; or
- Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
- the impact of event/ information as a percentage of Company’s annual turnover, fixed assets and total assets; or
- whether the event/ information is in the ordinary course of business; or
- whether the event/ information represents a significant shift in strategy and is an exit from, or entry into, a significant line of business; or
- Any other event/ information which is material in the opinion of Board of the Company

### **4. Disclosure of events or information**

- A. Upon occurrence of the following events / information, specified in para A of Part A of Schedule III to the Listing Regulations, the Company shall make disclosure to the Stock

Exchanges without any application of the guidelines for materiality as soon as reasonably possible but not later than twenty four hours from the occurrence of such event or information.

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the company shall along with such disclosure provide the explanation for delay.

- i. 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,-

- a) acquiring control, whether directly or indirectly; or,
- b) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
  - 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;
  - there has been a change in holding from the last disclosure made as above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- ii. 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.
- iii. Revision in Rating(s).
- iv. 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).
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- v. 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.
  - vi. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key Managerial Personnel or promoter.
  - vii. Change in directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
  - viii. Appointment or discontinuation of share transfer agent.
  - ix. Corporate debt restructuring.
  - x. One time settlement with a bank.
  - xi. Reference to BIFR and winding-up petition filed by any party / creditors.
  - xii. 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.
  - xiii. Proceedings of Annual and extraordinary general meetings of the Company.
  - xiv. Amendments to memorandum and articles of association of Company, in brief.
  - xv. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
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- B. Upon occurrence of the following events / information specified in para B of Part A of Schedule III to the Listing Regulations the Company shall make disclosure if considered material after application of guidelines for determining materiality as given under clause 3 of this policy:
- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
  - ii. 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).
  - iii. Capacity addition or product launch.
  - iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.

- v. 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.
- vi. 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.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of Company.
- x. Options to purchase securities including any ESOP/ESPS Scheme.
- xi. Giving of guarantees or indemnity or becoming a surety for any third party.
- xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**5. Authority:**

The Key Managerial Personnel of the Company are severally authorised for determining materiality of event/ information as specified in clause 4(B) of this Policy. The Managing Director, Chief Financial Officer and Company Secretary of the Company are severally authorised for disclosing such material events/information to the stock exchange(s).

**6. Review and Amendment:**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the Statutory Provisions and remains effective. This Policy shall be reviewed periodically and may be amended by the Managing Director of the Company, as may be deemed necessary.

**7. Interpretation:**

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.