

NILKAMAL LIMITED

POLICY FOR DETERMINATION AND DISCLOSURE OF MATERIALITY OF AN EVENTS AND INFORMATION

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POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION

1. REGULATORY FRAMEWORK

1.1 This policy ("**Policy**") of Nilkamal Limited ("**Company**") has been prepared and adopted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

1.2 Regulation 30(1) of Listing Regulations requires the Company to make disclosures to the stock exchanges of any events or information which, in the opinion of the board of directors of the Company, is material.

1.3 Regulation 30(4) of Listing Regulations requires the Company to frame a policy for determination of materiality of events or information for onward disclosure to stock exchanges based on the materiality criteria as specified in the said regulation and reiterated in this policy.

2. OBJECTIVES OF THIS POLICY

2.1 To define the principle and guidelines for determining the materiality of an event or information;

3. DEFINITIONS:

- a)** "**Board of Directors**" or "**Board**" means collectively the Directors of Nilkamal Limited, holding the position as Directors for the time being.
- b)** "**Policy**" means this policy on determination of materiality of events/information, as amended from time to time.
- c)** "**Stock Exchanges**" means National Stock Exchange of India Limited and BSE Limited.
- d)** "**Key Managerial Personnel**" means Managing Director, Whole Time Director, Chief Financial Officer and Company Secretary of Nilkamal Limited for the time being.

DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

4.1 All events/information stated in Para A of part A of schedule III to the Listing Regulations (as listed in Annexure I to this Policy) are deemed to be material events and the Company is mandatorily required to make disclosure of such events.

4.2 In respect of events/information stated in Para B of Part A of Schedule III to the Listing Regulations (as listed in Annexure II to this Policy) 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 the company shall consider the following criteria:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) the omission of an event or information 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 sub-clauses (i) and (ii) are not applicable, an event/information may be treated as being material if in the opinion of the Managing Director, Whole-time Director and Chief Financial Officer of Company, the event / information is considered to be material based on the criteria for determination of materiality of event or information given under this Policy.

4.2 Where it would be difficult to report the event based on qualitative criteria as stated in points (i) and (ii) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below:

- I. For points (i) to (viii) of the scope, if it exceeds ten percent of the income, profit before tax or net worth, as may be applicable;
- II. For fraud/defaults (point (ix) of the scope), involving financial impact of Rs. 5 crores or more;
- III. For options to purchase of securities, including ESOP/ESPS Scheme, if any, (point (x) of the scope), amounting to two percent of post-issue equity share capital of the Company.

4.3 The above thresholds shall be determined on the basis of last annual audited financial statement of the Company.

5. SCOPE

The Company is required to apply the above mentioned criteria for determination of materiality of the events/information mentioned below:

- 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. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- iv. 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.

v. 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.

vi. Effect(s) arising out of change in the regulatory framework applicable to the Company.

viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.

viii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

ix. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the 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. 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 their position and to avoid the establishment of a false market in such securities.

xiii. Without prejudice to the generality of the above, the Company may make disclosures of event/information as specified by the Board of Directors of the Company, from time to time.

6. Authorised Person for Disclosure of events / information:

The Managing Director and the Chief Financial Officer of the Company shall be severally authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Listing Regulations and this Policy and disclose the same to the Stock Exchange.

The contact details of the persons authorised to determine materiality of events under this Policy are as follows:

| Sr. No. | Name of the Key Managerial Personnel | Contact Details |
|---------|--------------------------------------|-----------------|
|---------|--------------------------------------|-----------------|

| | | |
|----|--|---|
| 1. | Mr. Hiten V. Parekh Managing Director | Tel.: 022 4235 8888 |
| 2. | Mr. Paresh B. Mehta Chief Financial Officer | Email id.: investor@nilkamal.com |

Based upon the materiality of event determined by the Managing Director and/ or the Chief Financial Officer of the Company, the Managing Director or the Chief Financial Officer or the Company Secretary shall be severally authorised for dissemination of such events and information in accordance with provisions of the Regulations or any other law as may be applicable.

6. DISCLOSURES TO THE STOCK EXCHANGES:

The disclosures as specified under point 4.2 above shall be made to the Stock Exchanges within the timeline prescribed under the listing regulations by the Company Secretary and/or Chief Financial Officer or in their absence Managing Director.

The disclosures made under the Regulations shall be hosted on the website of the Company (www.nilkamal.com). All disclosures shall be available on the website of the Company for a period of 5 years in accordance with the Archival Policy of the Company.

7. AMENDMENT

8.1 Any amendment in this Policy may be carried out with the approval of the Board of Directors of the Company.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by Securities and Exchange Board of India/Stock Exchanges, that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s). Such amendments shall be brought to the attention of the Board of Directors.

ANNEXURE I: PARA A OF PART A OF SCHEDULE III OF THE REGULATIONS:

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
 - b) dividend and the date on which dividend shall be paid/dispatched;
 - c) any cancellation of dividend with reasons thereof;
 - d) the decision on buyback of securities;

- e) the decision with respect to fund raising proposed to be undertaken 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) 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.

(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities 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 listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities 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 listed entities 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 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.
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. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- m. Any other material information not involving commercial secrets.

ANNEXURE II:

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

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.