

Nidhi Services Limited

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. PREAMBLE:

This Policy (hereinafter referred to as “**Policy**”) shall be called “Policy on determination of materiality of events or information” of Nidhi Services Limited (“**Company**”).

In terms of Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), every company which has listed its ‘Specified Securities’ (*as defined below*) is required to frame a policy for determining the materiality based on criteria specified in Regulation 30(4), duly approved by its Board (*as defined below*) which is to be disclosed on the website of the Company.

2. OBJECTIVES OF THE POLICY:

The Company wishes to adopt the Policy to define the parameters/ criteria to determine the materiality of events or information specified in paragraph B of Part A of Schedule III of the SEBI Listing Regulations with respect to the Company and its subsidiaries.

3. DEFINITIONS:

“**Act**” means the Companies Act, 2013, including any amendments thereto and any rules, regulations, notifications and clarifications issued thereunder and to the extent notified, and the Companies Act, 1956 any amendments thereto and any rules, regulations, notifications and clarifications issued thereunder, to the extent applicable and in force;

“**Board**” shall mean the Board of Directors of the Company, as constituted from time to time;

“**Compliance Officer**” shall mean the Company Secretary of the Company;

“**Specified Securities**” shall have the meaning ascribed to the term in Regulation 2(1)(zl) of the SEBI Listing Regulations;

“**SEBI**” shall mean the Securities and Exchange Board of India;

“**Stock Exchange**” shall mean the National Stock Exchange of India Limited and the BSE Limited;

Words and expressions not defined herein shall have the meaning ascribed to them under the SEBI Listing Regulations, the Act, the Securities and Exchange Board of India Act, 1992, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Securities Contracts (Regulation) Act, 1956.

4. CLASSIFICATION OF MATERIAL EVENTS OR INFORMATION

Deemed to be material events or information

The following events, as specified in paragraph A of Part A of Schedule III of the SEBI Listing

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Regulations, shall be deemed to be material events and shall have to be disclosed to the Stock Exchanges without any application of the guidelines for 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 5 (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 2 (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 the meetings of the Board: The Company shall disclose to the Stock 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).
- 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 the Company or arrest of key managerial personnel or promoters of the Company.

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- 7) Change in the Board of the Company, 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 of the Company.
- 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.

Guidelines for determination of materiality of event / information

An event and/ or information of the nature as specified in paragraph B of Part A of Schedule III of the SEBI Listing Regulations shall be considered as material in accordance with the following qualitative and quantitative criteria:

Qualitative Criteria

- (a) Its omission is likely to result in discontinuity or alternation of event or information already available publicly.
- (b) Its omission is likely to result in significant market reaction if the said omission came to light at a later date.
- (c) In case where the criteria specified in sub-clauses (a) and (b) above are not applicable, the Board considers it as material.

Quantitative Criteria

Without prejudice to what has been stated above, an event or information shall be considered as material where the value or impact exceeds 2% of the consolidated net worth.

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

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5. AUTHORITY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

The following personnel are authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges:

- (a) Whole-time Director;
- (b) Company Secretary;

The Whole Time Director, Compliance Officer shall be responsible for making disclosures to the Stock Exchanges. The contact details of the Compliance Officer shall be made available to the Stock Exchanges and shall also be available on the website of the Company.

6. DISCLOSURE OBLIGATIONS

The Company shall disclose all events specified in paragraph 4.1 above to the Stock Exchanges, as soon as reasonably possible and in any event not later than 24 (twenty four) hours of the occurrence of any event or information.

The Company shall disclose all events or information specified in paragraph B of Part A of Schedule III if deemed material as per this Policy, as soon as reasonably possible and in any event within a period of 24 (twenty four) to 48 (forty eight) from the knowledge of occurrence of the relevant events or information.

The Company shall make all disclosures with respect to the events specified under paragraph 4.1(4), within 30 (thirty) minutes of the conclusion of the Board meeting.

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

The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange(s) with respect to any events or information.

7. AUTHORITY AND AMENDMENTS TO THE POLICY

This Policy has been adopted by the Board of the Company.

The Board, may, subject to applicable laws amend, alter, modify, substitute any of the provision(s) with a new provision(s) or replace this Policy entirely with a new policy from time to time based on the requirements as prescribed under the SEBI Listing Regulations.

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8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or the SEBI Listing Regulations or any other statutory enactments or rules, the provisions of the SEBI Listing Regulations / the Act or statutory enactments, rules made thereunder shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

9. DISEMMINATION OF INFORMATION UNDER THE POLICY

The Company shall disclose all such events or information which has been disclosed to the Stock Exchanges pursuant to the SEBI Listing Regulations and this Policy on its website and such disclosures shall be hosted on the website of the Company for a minimum of 5 (five) years and thereafter as per the archival policy of the Company.