

POLICY ON DISCLOSURE OF MATERIAL EVENTS OR



**Nalwa Sons Investments
Limited**

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POLICY ON DISCLOSURE OF MATERIALITY OF EVENTS OR INFORMATION
(Under Regulation 30 of Listing Regulations, 2015)

1. PREAMBLE

Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "Listing Regulations"] mandates that every Listed Entity shall frame a policy for determination of materiality of any event or information based on criteria specified in the Listing Regulations. This Policy will be hosted on the website of the Company.

Accordingly, the Board of Directors of Nalwa Sons Investments Limited ("the Company") has framed and adopted this "Policy on Disclosure of Material Events or Information" to regulate disclosures of such event(s) or information:

- which has potential to impact the business or operations of the Company or any of its material subsidiaries in India or outside; Or
- being a price sensitive information,

and which is considered to be 'material' by the Board of Directors ('Board') of the Company based on the criteria as defined hereinafter. Further, these event(s) or information, which is exclusively known to the Company, 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 such securities.

2. OBJECTIVE

The objective of the Policy is to determine the event(s) or information(s) which, in the opinion of the Board of Directors of the Company, are considered material and need to be disclosed to the Stock Exchanges within the time limit as prescribed in this Policy, thereby ensuring timely and balanced disclosure of all material matters concerning the Company.

This Policy provides guidelines to the Board of Directors of the Company and the Key Managerial Personnel as authorized by the Board of Directors to determine, identify and categorize events and information (which may materially affect the performance of the company and, thereby, the share prices of the Company) as material and make necessary disclosures to the Stock Exchange(s) and on the website of the Company.

3. EFFECTIVE DATE

This Policy is effective from December 1, 2015.

4. DEFINITIONS

"Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“Applicable Law” means any law, rules, regulations, circulars, guidelines or standards on the basis of which the materiality of events or information may be determined.

“Board”, in relation to the Company, means the collective body of the Directors of the Company.

“Company” means Nalwa Sons Investments Limited.

“Event(s)” means as specified in Para A and Para B of Part A of Schedule III of the SEBI (LODR) Regulations as amended from time to time, and those events which the Board of Directors or the duly authorized Key Managerial Personnel deem it to be material considering the size and nature of business and with the potential to materially impact the share price of the Company.

“Information or Price Sensitive Information” means any information which relates directly or indirectly to the Company and/or any of its subsidiaries in or outside India, and which, if published, is likely to materially affect the price of shares of the Company.

“Key Managerial Personnel” of the Company means the Managing Director or Chief Executive Officer or Whole Time Director or Manager, Chief Financial Officer and the Company Secretary and any other personnel appointed by the Company under Section 2(51) of the Act.

“Listing Agreement” shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to SEBI (LODR) Regulations.

“Listing Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

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

“Material Subsidiary” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the SEBI (LODR) Regulations.

“Material” or **“Materiality”** includes those events and information which may materially affect the performance of the Company or the share price of the Company.

“Material Events” are those events specified in Para A of Part A of Schedule III of the Listing Regulations.

“Other Events” means events or information that may be determined to be Material based on the guidelines specified in Para B of Part A of Schedule III of the Listing Regulations.

“Policy” means this Policy on Disclosure of Materiality of Events or Information, as may be amended from time to time.

“Schedule” means Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Stock Exchanges” means and includes the Exchanges where the Equity Shares or other securities of the Company are listed.

“Subsidiaries” means a company (ies) in which the Company controls the composition of the Board or exercises or controls more than one half of the total share capital either at its own or together with one or more of its subsidiary companies.

5. INTERPRETATION

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Agreement, Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

6. GUIDELINES FOR DETERMINING MATERIALITY

6.1 Information relating to material events / information and which are price sensitive in nature, shall be disseminated to the Stock Exchanges **not later than 24 hours** from the occurrence of the event.

As per Para A and Para B of Schedule III of the Listing Regulations, the Company shall disclose to the Stock Exchanges, the following material events:

A. Deemed Material Events:

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 - '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 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 credit rating(s);
4. 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).
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;
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 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

B. Events / Information which may be material events based on criteria of 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 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 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;
13. 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 such securities.

6.2 In addition to the event / information prescribed in sub-clauses A and B of Clause 6.1 the Company will make disclosure of events or information to the Stock Exchanges as specified by the SEBI from time to time.

Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information or event. In order to determine whether a particular event or information is Material in nature, the Board / authorized Key Managerial Personnel of the company will consider the “quantitative” or “qualitative” criteria mentioned below:

A. Quantitative Criteria

- 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 financial year.
- Selling or dispose off of any undertaking or any division/unit of the Company or any of its subsidiary which constitutes at least 10% of the total assets based on the last audited financial statements.

B. Qualitative Criteria

- the omission of an event or information, which is likely to result in a discontinuity or alteration of event or information already available publicly;
or

- 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;
- if in the opinion of the Board of Directors of the Company, the event / information is considered material.

6.3 In those cases where, to ascertain materiality, thresholds as prescribed in clause 6.2 of this policy, cannot be applied, the Board of Directors or the Authorized Key Managerial Personnel in such cases, shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information/event and while doing so, it may consider, among other factors, the following factors:

- Whether there would be any direct or indirect impact on the reputation of the Company and/or any of its subsidiaries; or
- Whether non-disclosure can lead to creation of false market in the securities of the Company; or
- Whether there would be a significant impact on the operations or performance of the Company and/or any of its subsidiaries.

Provided that any confidential information which, if disclosed, is likely to put at risk the business interest of the Company and/or any of its subsidiaries, shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock exchanges.

7. Criteria for Determination of 'Price Sensitive Information':

- The Company may consider the following test(s) to determine whether particular information is price sensitive:-
 - Price impact test: any information which relates directly or indirectly to a the Company and which, if published, is likely to materially affect the price of shares of the Company;
 - The reasonable investor test: Whether the information in question 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 shares of the Company. It is to be noted that, 'significant effect on the price' cannot be quantified (percentage change or otherwise) due to various reasons. However, the following information is likely to be considered relevant to a reasonable investor's decision i.e. any information which affects the assets and liabilities of the Company; or the financial condition of the Company; or major developments in the business of the Company / the industry in which the Company operates; or information previously disclosed to the market.

- If in the opinion of the Board of Directors of Company or Authorized Key Managerial Personnel, the event / information is considered price sensitive.

8. When can an event/information be said to have occurred?

- The Company may be confronted with the question as to when an event/information can be said to have occurred.
 - In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends, disclosure shall be made on receipt of approval of Board of Directors pending Shareholder's approval. In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his / her duties.
 - In case of securities or the derivatives, which are listed outside India, by the Company, parity in disclosures shall be followed and whatever is disclosed on overseas Stock Exchange(s) by the Company shall be disclosed on the Stock Exchange(s), where the securities of the Company are listed in India, at the same time.
 - At times the preliminary information about an event is such that the Company or KMP cannot reasonably determine whether the event or information is material or price sensitive or not and may need to wait for more information or seek expert advice or conduct investigation/inquiry in order to determine the nature of the event or information. In such cases, the Company or its authorized KMP shall be construed to have become aware of the event/information when the probable impact of the event/information becomes known/ assessable to the extent of 75% of materiality threshold and not when the impact is finally and accurately assessed.

9. REPORTING OR DISCLOSURES OF EVENTS OR INFORMATION

- a. Events / information specified in Clause 6.1 (A) are deemed to be material events and the Company shall make disclosure to of such events or information as soon as

reasonably possible and not later than twenty-four (24) hours from the occurrence of such event or information in the following manner:

- i. inform the stock exchanges on which the securities of the Company are listed; and
- ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

Provided further that disclosures with respect to events specified in Item No. 4 of Clause 6.1 (A) shall be made within 30 minutes of the conclusion of the meeting.

- b. The Company shall make disclosure of events as specified in Clause 6.1 (B) based on application of guidelines for determining Materiality as per clause 6 of the Policy.
- c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- d. The Company shall disclose all events or information with respect to its Material Subsidiaries at the time of making disclosure.
- e. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
- f. In case where an event occurs or information is available with the Company, which has not been indicated in Clause 6.1 (A) or 6.1 (B), but which may have material effect on it, the Company will make adequate disclosures in regard thereof. All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

10. AUTHORIZATION FOR DISCLOSURE

The Board will authorize one or more Key Managerial Personnel for the purpose of determining Materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges.

The Key Managerial Personnel, authorized for the purpose, will be responsible for administering this Policy, determining the materiality of events or information in relation to the Company and monitoring compliance by the Company with disclosure obligations applicable to it.

11. POLICY REVIEW

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

12. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules 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.

13. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company i.e. www.nalwasons.com and address of such web link thereto shall be provided in the Annual Report of the Company.
