



NEYVELI LIGNITE CORPORATION LIMITED

POLICY FOR DETERMINING MATERIALITY FOR DISCLOSURE OF INFORMATION

(Pursuant to Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015)

1. Preface:

As per Regulation 30 of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, (the Regulations), the Company is required to make disclosure of various events and information to the Stock Exchanges as enshrined in Schedule III to the Regulations. The events/information have been classified into two categories viz., (i) information/ events to be disclosed irrespective of materiality (specified in Para A of Part A of Schedule III) and (ii) information/ events to be disclosed based on the application of guidelines for materiality as per the criteria prescribed therein (as specified in Para B of Part A of Schedule III). In this regard the Board of Directors of the Company is mandated to approve a policy for determining the materiality and also nominate one or more KMPs to decide on the same and issue the disclosures to the Stock Exchanges.

In addition to the above, the Company is also required to disclose major development that is likely to affect the business, such as emergence of new technologies, expiry of patents, change in accounting policy which may have significant impact on the accounts, etc.

2. Policy for determination of materiality:

The information/events specified in Para B of Part A of Schedule III to the Regulations shall be deemed material if in the opinion of the Designated KMP (as specified below)

- i. The non-disclosure of the information/event will result in discontinuation or alteration of the information/event already disclosed and/or available in public domain or
- ii. The non-disclosure of the information/event will have significant impact in the securities market, if and when the same comes to public domain subsequently.
- iii. Such event is likely to affect the business of the Company significantly and would be essential for the investors dealing in the securities of the Company to be aware of the same.

The above policy on materiality shall also be applicable in relation to the disclosure of major developments specified under Para C of Part A of Schedule III to the Regulations. The Para A, B, & C of Part A of Schedule –III has been placed as **Annexure**.

In addition to the above, the stipulations in the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information approved by the Board of Directors of the Company under the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall also be taken into account for disclosure of any event/information.

3. **Authority for determination of materiality of events / information and disclosure thereof**

Pursuant Regulation 30 (5) of the Regulations, the Chairman and Managing Director (CMD) of the Company is authorized to determine the materiality of the information/event to be disclosed taking into account the above policy. The Company Secretary or in his absence such other KMPs as may be specified by the CMD is authorized to make such disclosures to the Stock Exchanges.

4. **Validity and amendment**

This Policy shall be valid until otherwise determined by the Board. The CMD is authorized to review the Policy from time to time and make such changes as may be deemed necessary. The details of such changes shall be submitted to the Board for review and ratification.

SCHEDULE - III

**PART A: DISCLOSURES OF EVENTS OR INFORMATION
:SPECIFIED SECURITIES
[See Regulation 30]**

The following shall be events/information, upon occurrence of which listed entity shall make disclosure to stock exchange(s):

A. 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 percent 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 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 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.
 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;

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation(4) of regulation(30):

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 piece meal).
 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, lock outs 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.
- C. 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
