

N.B.I. Industrial Finance Company Limited

POLICY ON DETERMINATION OF MATERIALITY

1. Preamble

The Securities Exchange Board of India on 2nd September, 2015 came out with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has replaced the existing Listing Agreement with Stock Exchanges. Regulation 30 of the said Listing Agreement requires listed companies to frame a Policy on determination of materiality of the information for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

2. Need for the Policy

There are some material information/events concerning the Company / Company's sector, which are price sensitive information and are expected to have a material effect on the price or value of securities of the Company in the stock market. Hence, prompt disclosure of such information to the Stock Exchanges is necessary as per the Listing regulations. This Policy, therefore, seeks to determine what constitutes the material event / information for the Company, which requires prompt disclosure.

3. Criteria for determination of materiality of events / information

The Company shall follow the following criteria for determination of materiality of the information:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) 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;
- c) in case, where the criteria specified in sub-clause (a) and (b) are not applicable, an event / information may be treated as being material if in the opinion of the board of directors of the Company, the event / information is considered material.

4. Material Events / Material Information

A. Following events shall be deemed to be material events / information [without application of criteria for determination of materiality of events / information in line with Para A of Part A of Schedule III read with Regulation 30]

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation / merger / demerger / restructuring), or sale or disposal of any units(s), division(s), or material subsidiary of the Company or any other restructuring:

Explanation:- A: 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 percent 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.*

Explanation:- B: 'Agreement' shall include shareholder agreement, joint venture agreement, family settlement agreement to the extent the same impacts the management and control of the Company and agreement, treaty and contract with media companies, which are binding and not in normal course of business and revision, amendment and termination thereof.

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 the Company held to consider the following:
 - (a) declaration of 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 capitalisation 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 the same impacts the management and control of the Company, agreement(s), treaty(ies) and contract(s) with media companies, which are binding and not in normal course of business and revision(s), amendment(s) and termination(s) thereof);
6. Fraud/defaults by Promoter or KMP or by the Company or arrest of KMP or Promoter;
7. Change in Directors, KMP, Auditor(s) 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 Board of Industrial and Financial Reconstruction 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 Extra Ordinary General Meetings of the Company;
 14. Amendments to Memorandum and Articles of Association of the Company;
 15. Schedule of Analyst or Institutional Investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- B. Following events shall be considered material subject to the application of the criteria for determination of materiality of events / information [in line with Para B, C & D of Part A of Schedule III read with 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 (entirely 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 i.e.
 - (a) Emergence of new technologies;
 - (b) Expiry of patents;

- (c) Any change of accounting policy that may have a significant impact on the accounts, etc;
- (d) 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;

14. Any event which is considered material by the Board of Directors of the Company.

5. Timeline for Disclosure of information to Stock Exchanges

Disclosure of the events / information shall be made within the timeline in line with the requirement of Listing Regulations as amended from time to time.

6. Administration

Unless otherwise decided by the Board, the Chief Financial Officer of the Company is authorised for the purpose of determining materiality of an event or information and making disclosures to the Stock Exchange(s). The contact details of Chief Financial Officer would be disclosed to the Stock Exchange(s) and also shall be placed on the Company's website.