

POLICY ON MATERIALITY

1. Statutory Mandate

The Board of Directors of N R Agarwal Industries Limited (the “Company”) has adopted the following policy and procedures with regard to disclosure of material events which are necessary to be disclosed to the Stock Exchanges based on criteria as may be deemed necessary and has been adopted as part of this Policy. The Board may review and amend this Policy from time to time.

This Policy will be applicable to the Company with effect from February 12, 2016 and is in terms of Regulation 30(4) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR” or “Listing Regulations”).

2. Purpose of the Policy

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events/information specified in Para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

3. Criteria for determination of materiality of events / information

The Company shall consider the criteria as specified in clause (i) of sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events / information.

4. Definition

- Act means the Companies Act, 2013
- Board of Directors means Board of Directors of N R Agarwal Industries Limited
- The Company means N. R. Agarwal Industries Limited
- LODR Regulations means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Compliance Officer means The Officer appointed by the Board of Directors of the Company for the purpose of these Regulations from time to time.
- SEBI means the Securities Exchange Board of India.
- Rules means Rules made under Companies Act, 2013
- Material Events are those that are specified in Para A of Part A of Schedule III of the LODR

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- Other Events are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation(4)
- Key Managerial Personnel (KMP) of the Company includes Managing / Whole-time Directors, Chief Financial Officer / Company Secretary, who may be authorized individually or collectively to disclose events to Stock Exchanges.

5. Events which are deemed to be material events

Based on the recommendation of the Audit Committee or suo moto the Board of Directors of the Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the Stock Exchanges as per the time span specified against each category.

CATEGORY A

Events considered Material which needs to be disclosed to the Stock Exchanges within 24 hours of the decision taken at the Board Meeting are:

- Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring), or sale or disposal of unit(s), division(s) or subsidiary of the listed entity or any other restructuring
- 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.
- Shareholder agreement, Joint Venture, Family settlement agreement, agreement / treaty / contract with media companies
- Fraud / default by promoters or key managerial personnel and arrest of KMP or Promoter
- Reference to BIFR and winding-up petition filed by any party / creditors
- Revision in ratings

Note: If the Management is not in a position to inform the Stock Exchanges within 24 hours of the decision taken at the Board Meeting, then it shall inform the Stock Exchanges as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

CATEGORY B

Events / Decisions considered Material which needs to be disclosed to the Stock Exchanges within 30 minutes of the closure of the Board Meeting are:

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- Declaration of Dividend and / or cash bonuses recommended or declared and other information pertaining to them
- Cancellation of dividend with reasons thereof
- Buyback of securities
- Fund raising proposed to be undertaken
- Increase in capital by issue of bonus shares
- Reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue
- Alteration of capital
- Financial results
- Voluntary delisting from Stock Exchanges

CATEGORY C

Other Events / Decisions not considered Material which however, needs to be disclosed to the Stock Exchanges within as soon as it is possible but in any case not later than thirty days from the day of occurrence of the event which are:

- Change in Directorships, key managerial personnel, Auditor and Compliance Officer
- Appointment and discontinuance of share transfer agent
- Corporate debt restructuring
- One time settlement with bank
- 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
- Proceedings of the Annual or Extra General Meeting
- Amendments to Memorandum and Articles of Association

CATEGORY D

Miscellaneous Events / Decisions not considered Material which however, needs to be disclosed to the Stock Exchanges as soon as it is possible when the necessary information is ready to be publicized which are:

- Schedule of Analyst or institutional investor meet and presentation
- Commencement or postponement of the date of commercial production or operation of any unit / division

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- Change in the general character or nature of business brought about by Arrangements for strategic, technical manufacturing or marketing tie-up, new Line of business or closure of operations of any unit / division
- Capacity addition or new product launch
- Awarding, bagging / receiving, amendment or termination of awarded/ orders/ Contracts not in the normal course of business.
- Agreements for loan not in the normal course of business
- Disruption of operation of any one or more units due to natural calamity
- Effects arising out of change in regulatory framework applicable to the listed Entity
- Litigation / dispute / regulatory action(s) with impact
- Options to purchase securities including ESOP/ESPS scheme
- Giving of guarantees or indemnity or becoming a surety for any third party
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
- Emergence of new technologies
- Expiry of patents
- Change in accounting policy
- Any other information that may be deemed necessary jointly and severally by the KMPs of the Company who would consider that it is necessary for the holders of the securities of the listed entity to appraise its position and to avoid the establishment of a false market
- The Board may in its discretion also authorize the KMPs to disclose such events, information or material that in its wisdom may be necessary for the Members of the exchange to know the information

The Management shall periodically bring to the attention of the Board of Directors of the Company, all information, events or materials which in its opinion has to be brought to the attention of the Members of the Stock Exchanges.

6. Criteria for disclosure of events / information

- i. The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly;
- 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 of an event / information does not fall in the first two categories but still in the opinion of the board of directors are considered material.

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7. Authority for determination of materiality of events / information

The Board of Directors of the Company have authorised the Chief Financial Officer of the Company to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorised Person is also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

Contact Details of the Authorised Person:

Email Id: gopal.uchil@nrail.com

Tel: 022-67317599

8. Website updation / updates to stock exchanges

The Company shall update all disclosures made under the Regulations to the Stock Exchanges on its website and shall be continued to be hosted on the website for a minimum period of five years and thereafter archived as per the Archival Policy of the Company.

The Compliance Officer of the Company shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

9. Board Approval

The Policy has been adopted and approved by the Board of Directors at its meeting held on February 12, 2016 which shall be come into immediate effect.

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.