

## NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

### POLICY ON DISCLOSURE OF MATERIAL EVENTS

EFFECTIVE FROM FEBRUARY 8, 2019

#### I. SCOPE OF POLICY

The Equity Shares of Nagarjuna Fertilizers and Chemicals limited (“the Company”) are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (collectively the “Stock Exchanges”). Pursuant to the requirement under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018 (the “Listing Regulations”) for the purpose of determining the materiality of an event, transaction or information, specified in Para A and Para B of Part A of Schedule III, the Board of Directors (the “Board”) has framed and adopted this Policy on Disclosure of Material Events (“Policy”).

The Company recognizes its responsibilities towards its investors for dissemination of material Information in a fair transparent and timely manner.

#### II. DEFINITIONS

- a) “**Board of Directors**” shall mean the Board of Directors of Nagarjuna Fertilizers and Chemicals Limited, as constituted from time to time.
- b) “**Company**” means Nagarjuna Fertilizers and Chemicals Limited
- c) “**Key Managerial Personnel**” shall have the meaning as defined under the Companies Act, 2013
- d) “**Listing Regulations**” mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

e) **“Material Event” “Material Transaction”** or **“Material Information”** shall mean such event or information as set out in the Listing Regulations or as may be determined in terms of this policy. In the policy, the words, “material” and “materiality” shall be construed accordingly.

f) **“Subsidiary”** means a subsidiary as defined under 2 (87) of Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Listing Regulations, or any other applicable law or Regulation.

### III. **AUTHORITY**

This Policy has been adopted by the Board of Directors of the Company, at its Meeting held on February 8, 2019. The Policy shall also be displayed on the website of the Company.

### IV. **AUTHORISED PERSON**

The Board of Directors of the Company has authorized the Managing Director, in charge of business, to determine the materiality of an event, transaction or information.

The Company Secretary to disclose the said information to the Stock Exchanges and also on the Company’s website on a timely basis.

In the event of absence of the Managing Director on account of vacancy, leave, vacancy temporary inaccessibility for any reason, his powers and functions shall be undertaken by a Chief Financial Officer.

**V. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

However, the following criteria are to be considered for determining materiality of events or information.

**VI. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS / INFORMATION**

Materiality will be determined on a case to case basis depending upon the facts and circumstances pertaining to the event, transaction, and / or information. The Managing Director shall frame his opinion on a case to case basis, based on specific facts and circumstances relating to materiality of the event, transaction or information.

The event, transaction or information specified in Para A of Part A of Schedule III of the Regulations shall be disclosed to the Stock Exchanges without any application of guideline for materiality.

The events or information specified in Para B of Part A of Schedule III of the Regulations described in Annexure II, shall be disclosed based on the disclosure process described in the policy.

The Managing Director may consider the below guidelines for determining materiality of event, transaction or information. The event, transaction or information shall be considered as material if it meets any of the following criteria:

- 1) In case where the criteria specified above are not applicable, an event, transaction or information may be treated as being material, if in the opinion of the Board of Directors of the Company, the event, transaction, or information is considered material.
- 2) The omission of an event, transaction or information, which is likely to

result in discontinuity or alteration of event or information already available publicly;

- 3) The event or information is in any manner unpublished price sensitive information; or
- 4) The omission of an event, transaction or information is likely to result in significant market reaction if the said omission came to light at a later date;
- 5) The consideration involved in the transaction as a percentage of the consolidated turnover, net worth or profit, as per last audited financial statements;
- 6) The transaction is not in the ordinary course of business;
- 7) The transaction represents a significant shift from the company's strategy;
- 8) Any other event, transaction or information, which is treated as being material in the opinion of the Board of Directors of the company.

## **VII. DISCLOSURES OF EVENTS AND INFORMATION**

Event and Information specified in Part A of Schedule III shall be disclosed to the Stock Exchanges by the Company as soon as reasonably possible and not later than 24 hours (Twenty four hours) from the occurrence of the event. In case of the disclosure is made after 24 hours of occurrence of such event or information, the Company shall along with the disclosures provide an explanation for delay of the same.

In some cases there may be ambiguity as to when an event, transaction, or information can be said to have occurred. In certain cases, it would depend upon the stage of discussion, negotiation or approval. The event, transaction, or information can be said to have occurred upon receipt of approval of

Board of Directors and/or Shareholders or actual signing of the agreement after receiving the above said approvals.

In cases 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 listed entity became aware of the event, transaction, or information.

The event, transaction, or information can be said to have occurred when the Company becomes aware of the event, transaction, or information, or as soon as, the Managing Director of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

#### **VIII. CONTINUOUS DISCLOSURES**

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

#### **IX. DISCLOSURE PROCESS**

- Any event, transaction, or information purported to be reportable under Regulation 30 of the Listing Regulations shall be informed to the Managing Director, on an immediate basis with supporting data / information to facilitate a prompt and appropriate disclosure.
- The Managing Director shall be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
- After evaluation, the Company Secretary or in his absence any authorized official of the Company, shall make disclosure to the Stock Exchanges.

- The company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
- Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
- Regular updates, where relevant, shall be made with relevant explanations.

#### **X. POLICY REVIEW**

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the Listing Regulations and remains effective. This Policy is framed based on the provisions of the Listing Regulations, in case of any subsequent amendments to the Listing Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Listing Regulations shall prevail. This Policy shall be subject to review, if necessary. Any change / amendments in applicable laws with regard to Policy for Determination of Materiality shall be deemed to be covered in this Policy without any review.

The Board of Directors has the right to change / amend the policy as may be expedient taking into account the law for the time being in force.

#### **XI. RETENTION OF INFORMATION**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulation and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company