



# **NATIONAL FERTILIZERS LIMITED**

**CIN.L74899DL1974GOI007417**

**Registered Office:** Scope Complex, Core 3, 7 Institutional Area, Lodhi Road, New Delhi 110 003.

**Corporate Office:** A-11, Sector-24, Noida – 201301, Distt. GautamBudh Nagar (U.P.)

**Website:** [www.nationalfertilizers.com](http://www.nationalfertilizers.com) **Email ID:** [investor@nfl.co.in](mailto:investor@nfl.co.in)

**Telephone:** 011 – 24360066, 24361252 **Fax:** 011-24361553

## **CORPORATE POLICY ON MATERIALITY FOR DISCLOSURE OF EVENTS TO THE STOCK EXCHANGES.**

**Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

### **1.0 Legal Framework**

Securities and Exchange Board of India (“SEBI”), *vide* its Notification dated September 2, 2015, has issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the “Regulations”) which mandates listed entities to formulate a policy for determining and disclosing such events or information which, in the opinion of Board of Directors of the company is material.

In this Context, the policy for determining the materiality and disclosing of such events or information has been framed by the National Fertilizers Limited.

### **2.0 Effective Date**

This Policy shall be effective from 06.02.2017.

### **3.0 Applicability**

This policy shall be applicable to all material events or information which are required to be reported to Stock Exchanges.

## **4.0 Objective**

**The objective of this Policy is to ensure that timely and adequate information can be made available to all investors, which may affect their investment decisions, to enable them to take well informed decisions with regard to the securities of the Company and to curb the establishment of false market in the securities of the Company with an aim to favour all investors without any discrimination. National Fertilizers Limited (the Company) shall strive to follow the following principles governing disclosures and obligations.**

- (a) Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.**
- (b) The Company shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor(S).**
- (c) The Company shall refrain from misrepresentation and ensure that the information provided to recognized stock exchange(s) and investors is not misleading.**
- (d) The Company shall provide adequate and timely information to recognized stock exchange(s) and investors.**
- (e) The Company shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.**
- (f) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.**
- (g) The Company shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognized stock exchange(s) in this regard and as may be applicable.**
- (h) The Company shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.**
- (i) Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information.**

- (j) Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.

## **5.0 Definition**

- 5.1 “Company” means “National Fertilizers Limited”
- 5.2 “Act” means Companies Act, 2013 and rules framed there under as amended from time to time.
- 5.3 "Board" means the Securities and Exchange Board of India established under Section 3 of the Act;
- 5.4 “Board of Directors” shall mean the Board of Directors, of the Company;
- 5.5 “Key Managerial Personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- 5.6 "Listed Entity" means an entity which has listed, on a recognised stock exchange(s), the designated securities issued by it or designated securities issued under schemes managed by it, in accordance with the listing agreement entered into between the entity and the recognized stock exchange(s);
- 5.7 “Listing Agreement” shall mean an agreement that is entered into between a recognized stock exchange and an entity, on the application of that entity to the recognized stock exchange, undertaking to comply with conditions for listing of designated securities;
- 5.8 “Listing Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 5.9 "Schedule" means a schedule annexed to SEBI regulations;
- 5.10 “Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013;
- 5.11 "Stock Exchange" means BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed;

5.12 All other words and expressions used but not defined in this policy, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

## **6.0 Classification of Material Events**

### **1) Deemed Material Events/Information**

The events which are deemed to be material events and shall necessarily be disclosed to the Stock Exchange(s) without applying any test of materiality pursuant to Para A of Part A of Schedule III of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is placed at *Annexure -1*.

### **2) Dependent on Application of Guidelines for Materiality**

The events which shall be disclosed upon application of the Guidelines for Materiality pursuant to Para B of Part A of Schedule III of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is placed at *Annexure-2*.

### **3) GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

Materiality shall be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the following 'quantitative' or 'qualitative' criteria(s) shall be applied:

#### **3.1 Quantitative Criteria**

Materiality shall become applicable to an event/information where the value involved or the impact exceeds 10% of the turnover or 1000 crore, whichever is less on the basis of last Audited Consolidated Financial Statements of the Company.

### **3.2 Qualitative Criteria**

**Materiality shall become applicable to an event / 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 above is not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of Company, such event / information is considered material.

### **7.0 Authorization/Responsibility of Key Managerial Personnel**

7.1 The Company Secretary of the Company, being Key Managerial Personnel, (hereinafter known as Authorized person) shall severally be responsible and authorized for determining the materiality of events or information and for the purpose of making disclosures to stock exchange(s), subject to the provisions of this Policy.

7.2 The head of different departments shall inform any Event or information falling under regulation 30 of SEBI Regulations to the Authorized person(s), promptly upon occurrence, with adequate supporting data /information, to facilitate a prompt and appropriate disclosure to the Stock Exchange(s). The Guidance on when an event/information has occurred as indicated in Annexure –II of SEBI's Circular dated 9th September, 2015, is reproduced as Annexure-3.

7.3 In case such event or information is required to be disclosed or material in nature is not in the knowledge of the responsible officer or comes to his knowledge subsequently, the responsible shall report immediately upon becoming aware of it to the authorized person.

7.4 Any other Event, even if not covered under SEBI Regulations but is potentially of price sensitive nature, must also be informed for further evaluation to the Authorized person(s).

- 7.5 In case where an event occurs or an information is available with NFL, which has not been indicated in Para A or B of Part A of Schedule III of the Regulations, but in the opinion of Authorized Person, it has material effect on NFL, he shall make adequate disclosure to the Stock Exchanges.
- 7.6 Upon receipt of information mentioned at point no. 6.2, the authorized person shall consult Director (Finance) and/or CMD before making disclosure of the material events/ information to the Stock Exchange(s).
- 7.7 The Authorized person shall disclose all material events/information as soon as reasonably possible but not later than twenty four hours (24 hrs) from the occurrence of events or information and delay, if any, shall be sufficiently explained along with the disclosure.
- 7.8 The disclosure with respect to events specified in sub-Para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the Board Meeting.

## **8.0 Policy review/Amendment**

The Chairman and Managing Director may review the policy from time to time. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## **9.0 Disclosure on website**

As required by SEBI Regulations, the original policy and as well as the policy, as amended from time to time, will be disclosed on the website of the Company i.e. [www.nationalfertilizers.com](http://www.nationalfertilizers.com)

Further, the Company shall disclose on its website all such events or information which have been disclosed to stock exchange(s) under this 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, as disclosed on its website.

## **10.0 Contact Details**

<b>Name of Authorized Person:</b>	<b>Shri Raj Kumar</b>
<b>Designation:</b>	<b>Company Secretary</b>
<b>Address for Correspondence:</b>	<b>National Fertilizers Limited A-11, Sector-24, Noida – 201301, Distt. Gautam Budh Nagar (U.P.)</b>
<b>Telephone:</b>	<b>0120-2412322</b>
<b>Fax:</b>	<b>0120-2412322</b>
<b>Email:</b>	<b>rajkumar@nfl.co.in</b>

## **11.0 Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Companies Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

## **12.0 Miscellaneous**

- 12.1 Company may suo-moto, confirm or deny any reported event or information to Stock Exchange(s).**
- 12.2 Company shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information.**
- 12.3 Company shall disclose all events or information with respect to subsidiaries which are material for the Company.**
- 12.4 Company shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.**

**Events specified in Para A of Part A of Schedule III of Regulation 30(2)  
of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

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 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 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.**

**Events specified in Para B of Part A of Schedule III of Regulation 30(3)  
of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

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 listed entity 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 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.

- 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 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.**
- 14. Without prejudice to the generality of above, the Company may make disclosures of event/information as specified by the Board from time to time.**

**Guidance on when an event/information has occurred as indicated in Annexure –II of SEBI’s Circular dated 9th September, 2015**

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. 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 listed entity became aware of the event/information.

2.1 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 etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder’s approval.

2.2 In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term ‘officer’ shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.