

**POLICY ON DETERMINATION OF MATERIALITY OF
EVENTS OR INFORMATION FOR DISCLOSURE TO
THE STOCK EXCHANGE AND ARCHIVAL POLICY**

**PNB FINANCE AND INDUSTRIES LIMITED
(CIN: L65929DL1947PLC001240)**

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURE TO THE STOCK EXCHANGE AND ARCHIVAL POLICY

I) BACKGROUND:

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), a listed entity is required to formulate a policy for determination of materiality of events or information which are required to be disclosed to the stock exchanges where the securities of the Company are listed.

Accordingly, the Board of Directors of the Company approved and adopted this "Policy for Determination of Materiality of Events or Information for Disclosure to Stock Exchange".

II) OBJECTIVE:

The Policy aims to provide a framework for determining materiality of events or information for the purpose of making disclosure to the Stock Exchange and procedure thereof.

III) AUTHORITY:

The Board of Directors of the Company has authorised Chief Financial Officer, and the Company Secretary acting jointly for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange.

Company Secretary shall make necessary disclosures of events or information to the Stock Exchanges under Regulation 30 of Listing Regulations. However, in absence of Company Secretary, such disclosures shall be made by Chief Financial Officer of the Company.

IV) REPORTING AND DISCLOSURE:

Regulation 30 of the Listing Regulations has categorised material events and information which will have bearing on the performance/operations of the Company. The disclosures of events and information which the Company shall make to the Stock Exchange as broadly categorised under these regulations are as under –

1. The events specified in Para A of Part A of Schedule III to the Listing Regulations (Annexure A) shall be deemed to be material events for the purpose of disclosure to the Stock Exchange
2. Events that have been specified in Para B of Part A of Schedule III to the Listing Regulations (Annexure B), shall be disclosed to Stock Exchange based on application of the guidelines for materiality as mentioned in Regulation 30 (4) of the Listing Regulations, as mentioned hereunder :

The Company shall consider the following criteria for the purpose of for determination of materiality of events/ 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-clauses (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 listed entity, the event/information is considered material.
3. 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 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. (Para C of Part A of Schedule III to the Listing Regulations)
 4. Without prejudice to the generality of Para (A), (B) and (C) of the Part A of Schedule III to the Listing Regulations, the Company may make disclosures of event/information as specified by the SEBI from time to time. (Para D of Part A of Schedule III to the Listing Regulations)
 5. The Company shall also disclose any other event or information to the Stock Exchanges which is considered material by the Board of Directors of the Company.
 6. The aforesaid events and information shall be disclosed to the Stock Exchanges in the manner prescribed under Listing Regulations and as may be specified by SEBI from time to time.

V) AMENDMENT:

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the provisions of Statutory Provisions shall prevail.

VI) DISSEMINATION OF POLICY AND EVENTS/INFORMATION

All such events or information which has been disclosed to the Stock Exchange under this policy, shall be placed on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

The policy and the contact details of the persons authorized by the Board of Directors shall also be available on the website of the Company.

VII) ARCHIVAL POLICY

All the disclosures made by the Company to the Stock Exchange under Regulation 30 of the Listing Regulations shall be hosted on the website of the Company namely www.pnbfinanceandindustries.com for a minimum period of 5 years. Thereafter, such disclosures shall be kept in the archives of the Company for a period of 2 years.

In case the aforesaid disclosures are required by any applicable law or regulation to be hosted for a period longer than as mentioned above, such disclosures shall be hosted on the website of the Company for such longer period.

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 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 72 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 piecemeal).
 3. Capacity addition or product launch.
 4. Awarding, bagging/ receiving, amendment or termination of 73 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.
- 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.
- D.** Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

Authorization of KMP(s) for determining materiality of events/Information under Regulation 30 (5) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

In terms of Regulation 30 (5) of above specified regulations read with the Company's Policy on determination of materiality of events/ information, the Board of Directors have authorized the Chief Financial officer and Company Secretary of the Company for the purpose of determining the materiality of event/information and for the purpose of making disclosure to the Stock Exchange under the said Regulations.