

## Policy FOR Determination of Materiality of Events / Information of BF Investment Limited

### INTRODUCTION :

The Board of Directors (the "Board") of BF Investment Limited (the "Company") has adopted the following Policy for Determination of Materiality of Events or Information (the "Policy"). The Board may review and amend the Policy from time-to-time.

### OBJECTIVE :

The Policy is framed in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations") as amended from time-to-time and is intended to identify material events and information and upon occurrence of which the Company shall make disclosure to Stock Exchange(s).

Any Capitalised term used herein but not defined shall have the meaning assigned to such term under the Regulations or any other applicable law or regulations.

### 1. REQUIREMENT OF DISCLOSURE OF EVENTS OR INFORMATION.

- A. The following events/information are deemed to be material events and the Company shall make disclosure of such events to the stock Exchange(s).
1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.
  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, re-issue 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 Company 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. Re-issue 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 alternations of capital, including calls;
    - h. Financial results;
    - i. Decision on voluntary de-listing by the Company 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 Company) / 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 the Company 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 Company.
13. Proceedings of Annual and Extra-ordinary General Meeting of the Company.
14. Amendments to Memorandum and Articles of Association of the Company, in brief.
15. Schedule of Analyst or institutional investor meet and presentation on financial results made by the Company to analysts or institutional investors.

B. The Company shall make disclosure of the following events, based on materiality determined below :

Sr. No.	Events / information	Criteria for determination of materiality
1	Commencement of any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Exceeding 10% of total production of the Company as per the preceding financial year.
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).	Investment exceeding 10% of total turnover of the Company as per preceding financial year.  Closure of operation of any unit/division which generates 10% of total turnover of the Company during the previous financial year.
3	Capacity addition or product launch.	Exceeding 10% of capacity addition of the existing product capacity; or New product launch
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business.	Order / contracts exceeding 10% of total turnover of the Company as per preceding financial year.

Sr. No.	Events / information	Criteria for determination of materiality
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.	Loan exceeding 10% of net worth of the Company as per preceding financial year.
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.	Which results in discontinuation of operation of that unit / division for more than 10 working days.
7	Effect(s) arising out of change in the regulatory framework applicable to the Company	Affecting main business of the Company exceeding 10% of total turnover as per previous financial year.
8	Litigation(s) / dispute(s) / regulatory action(S) with impact.	Exceeding claim value of Rs.25 Crores.
9	Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company	Amount as specified under the Companies Act, 2013 and Rules made thereunder.
10	Giving of guarantees or indemnity or becoming a surety for any third party	Exceeding 20% of net worth of the Company as per preceding financial year.
11	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Affecting the total turnover of the Company exceeding 10% as per preceding financial year.
12	Any other events/information	Which are likely to affect 10% of total turnover or 5% of the net profit of the Company as per the last audited financial statements of the Company whichever is less.

- C. The Company may make disclosure of any other information/ event viz. major development which is in the opinion of Key Managerial Personnel 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.
- D. Without prejudice to the generally of para (A), (B) and (C) above, the Company may make disclosures of events / information as the Board may authorize from time to time.

## II. PROCEDURE FOR DISCLOSURE OF EVENTS OR INFORMATION.

- A. The Board of Directors of the Company shall authorize from time-to-time, one or more Key Managerial Personnel for the purpose of determining materiality of an event or

information and for the purpose of making disclosures to the Stock Exchange(s) under this Policy and the contact details of such personnel shall also be disclosed to the Stock Exchange(s) and on the Company's Website.

- B. The Company shall first disclose to stock Exchange(s) all events, as specified in Clause I above, or information as soon as reasonably possible and not later than twenty four (24) hours from the occurrence of event or information.

Provided that in case the disclosure is made after twenty four (24) hours of occurrence of the event or information, the Company shall, along with such disclosures, provide explanation for delay.

Provided further that disclosure with respect to events specified in sub-para 4 of Clause I (A) above shall be made within thirty (30) minutes of the conclusion of the Board Meeting.

- C. The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments, on a regular basis, till such time the event is resolved / closed, with relevant explanations.
- D. The Company shall promptly inform the stock exchange(s) of all information having bearing on the performance/operation of the Company, Price Sensitive Information or any action that shall affect payment of interest or dividend on non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares.

Explanation - The expression 'promptly inform', shall imply that the Stock Exchange(s) must be informed as soon as practically possible and without any delay and that the information shall be given first to the stock exchange(s) before providing the same to any third party.

- E. Without prejudice to the generally of the above sub-clause D, the Company who has issued or is issuing non-convertible debt securities and/or non-convertible redeemable preference shares shall make disclosures as specified in sub clause B of Clause I of the Policy.
- F. The Key Managerial Personnel, authorized by the Board from time-to-time, shall provide specific and adequate reply to all queries raised by the stock exchange(s) with respect to any events or information.
- G. The Key Managerial Personnel, authorized by the Board from time-to-time, may on his own initiative also, confirm or deny any reported event or information to stock Exchange(s).
- H. In case where an event occurs or an information is available with the Company, which has not been indicated in sub clause A & B of Clause I, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.

### III. DISCLOSURES :

- A. The Company shall disclose this Policy on Company's Website.
- B. The Company shall also disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy, and such disclosures shall be

hosted on the website of the Company for a minimum period of five (5) years and thereafter as per the archival policy of the Company, as disclosed on its website.

**IV. SCOPE AND LIMITATION :**

In the event of any conflict between the provisions of this Policy and the Regulations or any other statutory enactments, the statutory enactments shall prevail over this Policy.

**V. AMENDMENTS AND UPDATES :**

The Board shall review periodically this Policy and shall also have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time-to-time, to give effect to the intent of this Policy and further the objective of good corporate governance.

This Policy has been approved by the Board at its Meeting held on February 13, 2016 and has been made effective on and after December 1, 2015.

**For BF Investment Limited**

**Sd/-  
Director**

February 13, 2016  
Pune