

N.B.I. Industrial Finance Company Limited

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

1. Introduction

N.B.I. Industrial Finance Company Limited (the “Company” or “NBI” in brief) recognises that related party transactions can present potential or actual conflicts of interest and may arise questions about whether such transactions are consistent with the Company’s and its stakeholders’ best interests.

2. Scope and Exclusion

This Policy sets definition of Materiality of Related Party Transactions and on dealing with Related Party Transactions.

3. Terms and References

Contracts / Arrangements with a related party shall be considered as “material related party contracts / arrangements if the transactions during a financial year under such contracts / arrangements exceed the threshold prescribed by SEBI Circular – CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 or any amendment thereof.

4. Policy

- 4.1 All related party contracts / arrangements shall be entered on arms’ length basis.
- 4.2 In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arms’ length, after approval from Audit Committee.
- 4.3 All related party contracts / arrangements shall comply with the Companies Act, 2013.
- 4.4 All related party contracts / arrangements shall comply with the Listing Agreement.
- 4.5 All related party contracts / arrangements shall comply with the Accounting Standards.
- 4.6 All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- 4.7 All international related party contracts / arrangements shall comply with International Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- 4.8 Approval of Audit Committee shall be taken for related party contracts / arrangements as required under the Companies Act and Listing Agreement.