

# N. B. I. INDUSTRIAL FINANCE COMPANY LIMITED

CIN No. L65923WB1936PLC065596

Regd. Office : 21, STRAND ROAD, (Ground Floor) KOLKATA - 700 001

Phone : 2230 9601 - 9603 (3 Lines), 2243 7725, 2230 7905, Telefax : 033-2213 1650  
e.mail : nbifinance@ymail.com

To,  
The Sr. Manager,  
Listing Compliance Department,  
National Stock Exchange of India Ltd.,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051

18<sup>th</sup> October, 2022

Dear Sir/Madam,

**Symbol: NBIFIN**

**Sub.: Related Party Transaction as per Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Further to our letter dated 19<sup>th</sup> January, 2021 (copy enclosed) in reply to your notice to show cause no. NSE/LIST-SOP/REG-23/FINES/0814 dated 18<sup>th</sup> January, 2021, and as advised by your Shri Mandar Desai and Ms. Charvi Shah during telecons during the last two days, please find below again the disclosure of Related Party Transaction for the half year ended 30<sup>th</sup> September, 2020 which has already been reported to the Exchange on 19<sup>th</sup> January, 2021 and again on 7<sup>th</sup> July, 2021 when disclosures for the full financial year ended 31<sup>st</sup> March, 2021 were made to the Exchange which included figures for the half year too. Obviously the figures for the full year included the below mentioned figures for the half year ended 30<sup>th</sup> September, 2020-

<u>Sl</u>	<u>Name &amp; Related Party Transaction during the half year:</u>	<u>Amount (Rs.)</u>
1	Remuneration paid to Mr. S. P. Kumar - Manager and CFO	8.30 lac
2	Rent paid to Shree Capital Services Ltd	0.28 lac
	<b>Total</b>	<b>8.58 lac</b>

Our aforesaid re-disclosure is subject to the following submissions and is to be read in entirety.

**Compliance of Regulation 23(9) of the SEBI (LODR) Regulations, 2015**

- 1) Our representation dated 19<sup>th</sup> January, 2021 in response to your Notice to show cause dated 18<sup>th</sup> January, 2021 has not been disposed of nor is there any response from NSE, either by way of rejection or waiver of delayed compliance as per the said show cause notice. As reminded during aforesaid telecons to your Mr. Mandar Desai, we request you again to please consider our said representation and waive the delay in compliance which was inadvertent and first such delayed compliance of Regulation 23(9) of the LODR Regulations and deserves sympathetic consideration.
- 2) We wish to submit that during the second wave of pandemic COVID-19 during first half of year 2021, our office was closed for quite a long time to protect employees and their family from being infected in the pandemic and we could not follow up with your office for consideration of our said representation and waiver of the delay in compliance. This being however, the first such delay in the matter of Regulation 23(9) of the LODR Regulations, we again request for waiver of the delay.



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- 3) We however wish to submit that there is hardly any ground for NSE to treat the non-compliance as a continuing one and demand fine for non – compliance till now. Our representation is on your records since 19<sup>th</sup> January, 2021 and it is unfair to demand the fine till now without its disposal. We cannot be penalized for NSE's inaction and failure for timely action.
- 4) We further submit that fine, in any event, being a per day fine, as per SOP Circular of SEB, it should be calculated for the actual working days till our representation and not on continuous basis for each day of the week/month including holidays and weekly offs.
- 5) We further submit that the Company had filed its yearly disclosure of related party transaction on 7<sup>th</sup> July, 2121 which consisted of only the payment of remuneration to the Key managerial person, i.e. Manager & CFO which included the figures of such payment too for the half year ended 30<sup>th</sup> September, 2020 (first half of financial year) which is the matter under consideration and disclosure for the first half year got completed and subsumed with the yearly disclosure and was before all the stake holders and cannot be considered as non-disclosure. The requirement for disclosure was complied with the yearly disclosure and the fine, if at all not waived, stood stopped accruing thereafter. Equity and natural justice demand such treatment only. The Company's Annual Report and Accounts with such disclosures was put up on its own website as well as website of NSE in the month of July 2021 itself as aforesaid which disclosure cannot be disowned and denied. No prejudice can be said to have been caused to the stake- holders.
- 6) In matters involving levy of fine, NSE is acting as a quasi judicial authority and has to uphold principles of equity and natural justice in dealing with such matters in letter and spirit.
- 7) The disclosure for the half year ended 30<sup>th</sup> September, 2020 involved payment of remuneration to the key managerial person amounting to Rs. 8.30 lac only which could at best be said to have escaped disclosure as per NSE, but the amount of fine calculated and demanded of us by NSE now amounts to approx. Rs. 40 to 45 lac which is much more than 5 times the escaped disclosure and highly disproportionate to the amount of escaped disclosure which again was inadvertent and not intentional. Such a disproportionate fine is inequitable in matters involving disclosure only and not any wilful suppression involving evasion of government duties, taxes, cess etc. NSE is required to act judiciously and equitably and not otherwise, equity demands.

We request you to please consider our above submissions favourably and sympathetically. This is without prejudice.

Thanking you,

Yours Faithfully

For N.B.I. Industrial Finance Co. Ltd.

  
(S P Kumar)  
Manager & CFO



Encl: As stated

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Dated: 19<sup>th</sup> January, 2021

NSE/LIST-SOP/REG-23/FINES/0814

To,  
The Sr. Manager,  
Listing Compliances Department,  
National Stock Exchange of India Ltd,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051

**Scrip Code: 014019**

**NSE Symbol: NBIFIN**

**Sub: Notice for non-compliance with Regulation 23(9) of SEBI (LODR) Regulations, 2015**

Dear Sir,

We are in receipt of your notice No. NSE/LIST-SOP/REG-23/FINES/0814 dated 18<sup>th</sup> January 2021, through e-mail dated 19<sup>th</sup> January 2021 today (alleging non-compliance in submission of Related Party Disclosures to the Exchange covering transactions with the related parties for the half year ended 30<sup>th</sup> September 2020) together with a memo for Rs. 2,47,800/- for fine for alleged violation of Regulation 23(9) of LODR Regulations 2015.

In reply we beg to submit that the Company has not violated any provision of Regulation 23(9) of LODR Regulations in as much as the Company did not have any material Related Party Transactions with its related parties exceeding 10% of its annual turnover for the last financial year 2019-20 requiring disclosure under Regulation 23(9) of said Regulations, details of which are furnished below:-

<b><u>Particulars</u></b>	<b>Rs. in Lac</b>
Total Turnover / Total Income of the Company for the previous financial year 2019-20	1438.16
10% of above	143.82
<b><u>Transactions with related parties</u></b>	
1) Remuneration to Manager & CFO for the half year ended 30 <sup>th</sup> September, 2020	8.30
2) Payment of Rent to Shree Capital Services Ltd.	0.28
<b>TOTAL</b>	<b><u>8.58</u></b>



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You would please thus observe that the transactions with the related parties are not in excess of the threshold limit requiring separate disclosure under Regulation 23(9) of the SEBI LODR Regulations 2015, as also the Company's Policy on materiality.

The Exchange has not given any details/information as to how it has come to the conclusion that the Company is in violation of the said regulation and hence liable to levy of fine.

In view of the aforesaid explanation/clarification, we request you to please withdraw the memo of fine and the Notice of non-compliance under intimation to us.

Thanking You,  
Yours Faithfully  
For N B I Industrial Finance Co. Ltd

  
Manager

