

DALMIA REFRACTORIES LIMITED

DRL POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

[Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

[Adopted by the Board of Directors at its meeting held on February 4, 2016]

Preface

Securities and Exchange Board of India has vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015 notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) effective from 1st December, 2015.

In terms of Regulation 30 of the Regulations, every entity whose equity shares are listed needs to make disclosures of events or information which, in the opinion of the Board of Directors of the listed company, is material. Events specified in Para A of Part A of Schedule III of the Regulations are deemed to be material events and must be disclosed to the Stock Exchanges. Whereas, the events specified in Para B of Part A of the said Schedule III need to be disclosed based on application of the guidelines for materiality. Sub Regulation (4) (ii) requires that every listed entity shall have a policy for Determination of Materiality duly approved by the Board of Directors. Similarly, an entity whose debentures or preference shares are listed is required to disseminate all price sensitive information or any action which may affect the payment of interest or redemption of non-convertible debt securities or preference shares to the Stock Exchanges.

This Policy for Determination of Materiality of Events and Information for Disclosure to the Stock Exchanges (hereinafter referred to as “the Policy” or “this Policy” is framed in terms of sub-Regulation (4) (ii) of Regulation 30 of the said Regulations.

1. This Policy is named as the “DRL Policy for Determination of Materiality of Events and Information” for Disclosure to Stock Exchanges.
2. In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”), the following disclosures are required to be made:

A. Disclosure of Deemed Material Events to the Stock Exchanges:

1. The following events/information shall be disclosed to the Stock Exchanges within 30 minutes of the conclusion of the meeting of the Board of Directors of the Company (hereinafter referred to as “the Board”) at which these are considered:

- (a) Dividends and/or cash bonuses recommended or declared or decision to pass any dividend and the date on which dividend shall be paid/despached.
 - (b) Any cancellation of dividends with reasons thereof;
 - (c) Decision to buy back of securities;
 - (d) Decision with respect to fund raising proposed to be undertaken;
 - (e) Increase in capital by way of issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/despached;
 - (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 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; and
 - (i) Decision on voluntarily delisting by the Company from Stock Exchanges.
2. The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information provided that in case the disclosure is made after 24 hours of the event/information, an explanation for the delay shall be provided:
- (a) 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.
 - (b) 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.
 - (c) Revision in Rating(s).
 - (d) 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.
 - (e) Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 - (f) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
 - (g) Appointment or discontinuation of share transfer agent.
 - (h) Corporate debt restructuring.
 - (i) One time settlement with a bank.
 - (j) Reference to BIFR and winding-up petition filed by any party /creditors.
 - (k) 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.
 - (l) Proceedings of Annual and extraordinary general meetings of the listed entity.

- (m) Amendments to memorandum and articles of association of listed entity, in brief.
- (n) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

B. Disclosure of Events, if material to the Stock Exchanges:

1. The following events/information shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information, if the event or information relating to the Company exceeds 10% of its gross turn-over or 10% of its net worth as per its latest Standalone audited financial statements of the immediately preceding financial year, which ever is higher, or such higher limit as may be determined in the sole discretion of the Chief Financial Officer, provided further that in case the disclosure is made after 24 hours of the event/information, an explanation for the delay shall be provided:
 - (a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
 - (b) 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);
 - (c) Capacity addition or product launch;
 - (d) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
 - (e) 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;
 - (f) 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;
 - (g) Effect(s) arising out of change in the regulatory framework applicable to the listed entity;
 - (h) Litigation(s) / dispute(s) / regulatory action(s) with impact;
 - (i) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity;
 - (j) Options to purchase securities including any ESOP/ESPS Scheme;
 - (k) Giving of guarantees or indemnity or becoming a surety for any third party;
 - (l) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
 - (m) 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; and
(n) Material events occurring in any of the material Subsidiaries.

2. The Chief Financial Officer shall determine the limits for materiality based on the following criteria: -

- (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, the event/information is considered material.

C. Disclosure of information to Stock Exchanges in respect of Debt Securities, if any

1. The following events/information relating to the listed Debentures and or Preference Shares shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than 24 hours from the occurrence of the event/information provided that in case the disclosure is made after 24 hours of the event/information, an explanation for the delay shall be provided:

- (a) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent
- (b) any attachment or prohibitory orders restraining the listed entity from transferring non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;
- (c) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;
- (d) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-

convertible debt securities or redemption amount and failure to create a charge on the assets;

- (e) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
- (f) any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;
- (g) any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;
- (h) details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any;
- (i) delay/ default in payment of interest or dividend / principal amount/redemption for a period of more than three months from the due date;
- (j) failure to create charge on the assets within the stipulated time period;
- (k) any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the listed entity with any Investor(s)/lender(s). Explanation.- For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.
- (l) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (m) any revision in the rating;
- (n) the following approvals by board of directors in their meeting:-
 - (i) the decision to pass any interest payment;
 - (ii) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
- (o) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non convertible debt securities;
- (p) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

Subsidiaries

With respect to subsidiaries, if any, the Company shall disclose events and interest which are material for the Company.

Determination of materiality

The Chief Executive Officer and the Chief Financial Officer, shall be responsible severally to determine the occurrence of material event reportable to the Stock Exchanges in accordance with the criteria and materiality detailed above. The Chief Executive Officer and the Chief Financial Officer shall severally make necessary disclosure(s) to the Stock Exchanges of material event(s).

Disclosure on the website

The Compliance Officer shall be responsible to disclose this Policy for Determination of Materiality of Events and any changes therein as may be approved by the Board from time to time on the website of the Company.

The Compliance Officer shall also disclose on the Company's website the disclosures made to the Stock Exchanges in terms of Clause 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a period of 5 years.

Conclusion

This Policy shall apply for Determination of Materiality of Events to be reported to the Stock Exchanges in terms of the Regulations. Any or all the provisions of this Policy would be subject to the revision/amendment in the Regulations as may be notified from time to time.