



NILACHAL REFRACTORIES LIMITED

CIN: L26939OR1977PLC000735

30, J.L. Nehru Road, Kolkata – 700016, W.B. Ph.: 033-224 96507, Telefax: 033 – 224 99511

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR EVENT

1. Introduction

Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) mandates that every listed entity shall make disclosures of any event or information which, in the opinion of its Board of Directors, is material.

The aim of this Policy is to specify broad criteria the Board ought to keep in mind in determining materiality of an information or event.

This Policy is effective from 1st December, 2015.

2. Determination of materiality of an event/ information

2.1 In determining the materiality of a company’s information or an event, the Board will be guided by the provisions enunciated in various statutes from time to time for disclosure in the public domain. However, information/events listed in Regulation 30 read with Schedule III of the Listing Regulations, 2015, as amended from time to time, will, ipso facto, be termed material. The current list is attached in Annexures I and II.

2.2 Annexure-II of this document specifies events / information that requires disclosure, if material. Materiality will be determined in these cases should any of the following conditions be satisfied:

- a) where the event/information impacts sales and it is likely to have an impact of 10% or more of the consolidated gross turnover as per the Company’s last audited annual consolidated accounts;
- b) where the event/information impacts the Company’s Profit Before Tax (PBT) to the extent of 10% or more of the consolidated PBT of the Company as per its last audited annual consolidated accounts;
- c) where the event/information impacts the Company’s consolidated assets/liabilities to the extent of 10% or more as per the last audited annual consolidated accounts.

The following further factors will also be considered for determining materiality of an event / information for the purposes of Annexure-II:

- a) the omission of an event / information that might result in discontinuity or alteration of information already in the public domain; or
- b) the omission of an event / information which might result in significant market reaction, shared this omission come to light at a later date; or



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- c) any event/ information, which if not disclosed promptly may lead to creation of a false market in the securities of the Company; or
- d) the event / information represents a significant shift in strategy and is an exit from, or entry into, a significant line of business; or
- e) any other event / information which the Board of Directors of the Company considers to be material.

2.3 Important as paragraphs 2.1 and 2.2 are or would be for determining materiality, the two overarching considerations for qualification as material event or information will always constitute the following:

- i) events / information must be of an exceptional nature to qualify as material.
- ii) events / information in the ordinary course of the Company's business will not be considered material.

In other words, the requirements of paragraphs 2.1 and 2.2 will always be subject to the provisions of paragraph 2.3.

3. Authority:

Any one of the Chief Financial Officer or the Company Secretary, shall be authorized to determine materiality of an event or information for the purpose of making disclosures to stock exchanges.

Contact details for the KMP would be:

30D, Jawaharlal Nehru Road,

Kolkata- 700016

Email: cs@nilachal.in

Phone No. 033 22299586/+919748181833

4. Disclosure of events/ information

4.1 Disclosure to the Stock Exchanges

Subject to the provisions of paragraph 2.3 above, events/ information specified in Annexure I of this Policy are deemed to be material events and the Company shall make disclosure of any such event or information in the normal course, as soon as reasonably possible but not later than twenty four (24) hours from the occurrence of such event or information.

Should such disclosure be made twenty four (24) hours after occurrence of such event / information, the Company shall, along with such disclosure(s) explain the delay.



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The Company shall make disclosure of events/ information as specified in **Annexure II** of this Policy, if considered material after application of guidelines for determining materiality as given under **Clause 3** of this Policy. The Company shall provide specific and adequate reply to all queries raised by the Stock Exchange(s) with respect to any event or information.

4.2 Disclosure on Company's website

All events/information disclosed to the Stock Exchange(s) will be uploaded on the Company's website, www.nilachal.in, for a period of 5 years. Preservation thereafter will be as per the Company's archival policy.

5. Dissemination of Information

- a) This Policy shall be disclosed on the website of the Company.
- b) The contact details of authorised Key Managerial Personnel shall also be disclosed to the stock exchange(s) and as well as on the Company's website.

6. Authority to make alterations

The Company Secretary is authorised to make such alterations to this Policy as considered appropriate based upon guidance from the Board. However such alterations shall not be inconsistent with the provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Annexure I: Material events/ information to be mandatorily disclosed to the stock exchange(s) (Para A of Part A, Schedule III of Listing Regulations, 2015)

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 Company or any other restructuring.

The term 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 Company holds shares or voting rights aggregating to 5% 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 and such change exceeds 2% 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.



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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) 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 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), 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 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.



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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 extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

Annexure II: List of events/ information to be disclosed to the stock exchange(s) if considered material. (Para B, C and D of Part A, Schedule III of Listing Regulations, 2015)

B. Events which shall be disclosed upon application of the guidelines for materiality referred in 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 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 Company 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 Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
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.



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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) of Part -A of Schedule III of the Listing Regulations, the listed entity may make disclosures of event/information as specified by the Board from time to time.