



## DALMIA BHARAT REFRACTORIES LIMITED

Registered Office: Dalmiapuram, Dist. Tiruchirappalli 621651, Tamil Nadu  
(CIN: U26100TN2006PLC061254)

### POLICY ON MATERIAL SUBSIDIARIES

(This Policy adopted by the Board of Directors of the Company at their meeting held on March 24, 2022.)

#### 1. OBJECTIVE & LEGAL FRAMEWORK

The objective of the Policy is to determine the Material Subsidiaries of Dalmia Bharat Refractories Limited ("**Company**") and to provide the governance framework in relation to such subsidiaries.

The Board of Directors of the Company is obliged to formulate a policy for determining its material subsidiaries to ensure compliance with the requirements mentioned under regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

#### 2. DEFINITIONS

"**Act**" means the Companies Act, 2013 and rules made thereunder.

"**Audit Committee**" means the audit committee of the Company duly constituted or reconstituted by the Board of Directors of the Company under the provisions of the SEBI Listing Regulations and the Act, as amended from time to time.

"**Board of Directors**" or "**Board**" means the board of directors of the Company, as constituted from time to time.

"**Company**" means the Dalmia Bharat Refractories Limited.

"**Independent Director**" means an Independent Director as defined in Section 2(47) of the Act read with Regulation 16(1)(b) of the SEBI Listing Regulations.

"**Material Subsidiary**" means a Subsidiary of the Company, whose income or net worth exceeds 10% (Ten Percent) of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

"**Policy**" means this policy of the Company for determining a Material Subsidiary.

"**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.



“**Subsidiary Company**” or “**Subsidiary**” means a company that falls within the definition provided in Section 2(87) of the Act with respect to the Company.

“**Significant transaction or arrangement**” with respect to a Subsidiary means any individual transaction or arrangement that exceeds or is likely to exceed the threshold limits as prescribed under Regulation 24(4) of the SEBI Listing Regulations.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and the SEBI Listing Regulations shall have the meaning respectively assigned to them therein.

### **3. COMPLIANCES WITH RESPECT TO UNLISTED SUBSIDIARY COMPANIES**

- a) The Audit Committee of the Company shall review the financial statements, in particular the investments made by, its unlisted Subsidiary Companies;
- b) The minutes of the Board meetings of the unlisted Subsidiary Companies shall be placed at the Board meeting of the Company;
- c) The management of the unlisted Subsidiary Companies shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant transactions or arrangements entered into by the Subsidiary Company.
- d) The Company shall include particulars of its Subsidiary Companies in its annual return and prepare and publish financial statements of such Subsidiaries in accordance with applicable laws.

### **4. COMPLIANCES WITH RESPECT TO MATERIAL SUBSIDIARY COMPANIES**

- a) The Company shall not dispose of shares in any of its Material Subsidiaries which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% (fifty percent) or cease the exercise of control over the Subsidiary without passing a special resolution in its general meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a court/tribunal;
- b) The Company shall not sell, dispose and lease assets amounting to more than 20% (twenty percent) of the assets of any of its Material Subsidiaries on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution in its general meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal.



## 5. COMPLIANCE WITH RESPECT TO MATERIAL NON-LISTED SUBSIDIARY

At least one independent director on the Board of Directors of the Company shall be a director on the board of directors of its Unlisted Material Subsidiary, whether incorporated in India or not.

### Explanation:

For the purpose of above provision, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20 (Twenty Percent) of the consolidated income or net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.

## 6. GENERAL

- a. If the Company has a Subsidiary which is also listed, then this Policy shall apply to such Subsidiary in so far as its subsidiaries are concerned.
- b. The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.
- c. In case of any subsequent changes to the Act or the SEBI Listing Regulations which make any of the provisions of the Policy inconsistent with the Act or the SEBI Listing Regulations, as the case maybe, the provisions of the Act and the SEBI Listing Regulations would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with applicable law.