

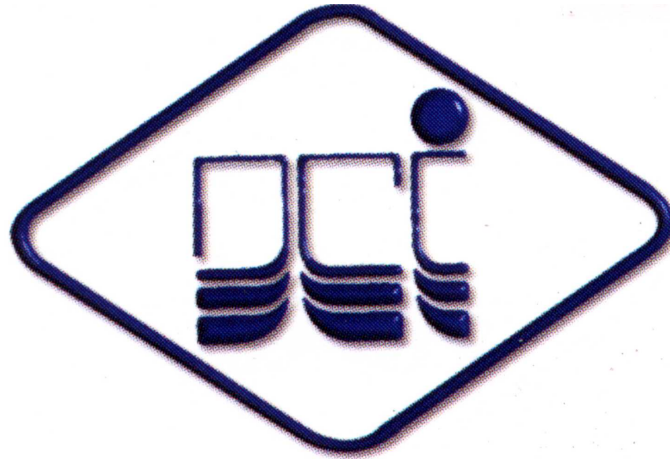
DREDGING CORPORATION OF INDIA LIMITED

(A Government of India Undertaking)

CIN NO. L29222DL1976GOI008129

Website : www.dredge-india.com

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DCI POLICY FOR DETERMINING MATERIALITY

REGISTERED OFFICE

Core: 2, 1st Floor, "SCOPE MINAR"
Plot No. 2A & 2B, Laxminagar District Centre,
Delhi - 110 092.

HEAD OFFICE

"DREDGE HOUSE", Port Area,
Visakhapatnam - 530 001.

**APPROVED BY THE BOARD IN ITS 307th BOARD MEETING HELD ON 24/7/2016
VIDE AGENDA ITEM NO. 307/3**



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DREDGING CORPORATION OF INDIA LIMITED

POLICY FOR DETERMINING MATERIALITY

I. Objective

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) read with SEBI’s Circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015, the Board of Directors (the “**Board**”) of Dredging Corporation of India Limited (“DCI” or “the Company”) Limited (the “**Company**”) has adopted this Policy for determination of materiality based on the criteria mentioned in the said regulation (“**Material Information**”) such that required information can be promptly disclosed to the stock exchanges, as required under applicable regulations in compliance with the said regulations.

II. Definitions

In this policy unless the context otherwise requires

- a. “**Act**” means the Companies Act, 2013 and rules made there under, as amended from time to time
- b. “**SEBI Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time
- c. “**Company**” means Dredging Corporation of India Limited
- d. “**Policy**” means DCI – Materiality Policy as amended/modified from time to time
- e. “**Authorized Persons**” shall have the same meaning ascribed to it under Clause III of this Policy.
- f. “**Board**” or “**Board of Directors**” shall mean the Board of Directors of Dredging Corporation of India Limited, as may be re-constituted from time to time
- g. “**Financial Year**” shall have the same meaning ascribed to it under the Act.
- h. “**Material Information/event**” shall mean information/event as prescribed under Clause IV & Clause V of this Policy.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the SEBI Regulations shall have the same meaning assigned therein. If there is any contradiction with regard to anything stated herein this Policy with the same stated in Companies Act and/or SEBI Regulations thereunder then those stated in Companies Act and/or SEBI Regulations would prevail.

III. Authorized Persons

1. The materiality or otherwise, of an information or event in terms of the SEBI Regulations will be determined jointly by any of the two of the three directors (i)



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Chairman and Managing Director(CEO), (ii) Director (Finance)(CFO), (iii) Director (Operations & Technical) and Company Secretary of the Company("Authorized Persons") in consultation, if necessary, with the concerned Department head, or the responsible Senior Management Personnel, as the case may be.

2. The authorized persons will also decide the appropriate period/stage at which disclosure is to be filed with the stock exchanges and details that may be filed.
3. Company Secretary and Compliance Officer is the authorized person to make necessary disclosures to the Stock Exchanges. The Contact details are:-
Company Secretary, Dredging Corporation of India Limited, "DREDGE HOUSE", Port Area, Visakhapatnam – 530001, Email : sreekanth@dcil.co.in

IV. Guidelines for Materiality assessment

1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, 'quantitative' and 'qualitative' factors, as the case may be, may also be considered as criteria.
2. The events or information which will be disclosed based on application of materiality criteria are given in **Annexure 1**.
3. In circumstances where 'quantitative' test may not be applicable or cannot be applied , a 'qualitative' or a 'subjective' criteria will be applied to determine materiality.
4. The Authorized Persons as defined under this Policy are authorized to revise the aforementioned pre-defined value provided that the change shall not exceed 20% of such pre-defined value.

V. Deemed material events or information

Events or information specified in **Annexure 2** will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.

VI. Timing of disclosure

All material events / information will be disclosed as promptly as practicable as per the provisions of Regulation 30 read with SEBI's Circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015 or any amendments made thereto from time to time.

VII. General

Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.



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Annexure – 1

The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

Sl. No	Event/Information	Threshold
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Not Applicable
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).	Impact on turnover exceeding ₹100 Cr. per year
3	Capacity addition or product launch	Any asset which has the effect of enhancing the revenue.
4.	Product launch	Not Applicable
5	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Impact on turnover exceeding ₹100 Cr. per year
6	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.	Amount exceeding ₹100 Cr. per year
7	Disruption of operations of any one or more of the dredgers due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Estimated impact of making any of the dredgers idle for 10 or more days due to any of the reasons stated.
8	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	Impact on profit exceeding ₹ 25 Cr. arising out of change in the regulatory framework applicable to the listed entity
9	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Litigation(s) / dispute(s) / regulatory action(s) with impact of more than ₹25 Cr.
10	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	As per limits prescribed under the Companies Act, 2013 from time to time.
11	Options to purchase securities including any ESOP/ESPS Scheme.	Exceeding 1% of the post issuance / allotment paid up share capital



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12	Giving of guarantees or indemnity or becoming a surety for any third party.	Guarantees or indemnity or becoming surety which is not in the ordinary course of business for a sum not less than ₹100 Cr..
13.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Estimated impact of making any of the dredgers idle for 10 or more days due to any of the reasons stated.

Notwithstanding anything stated above, the Authorized Persons may apply qualitative criteria for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably.



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Annexure – 2

Events which shall be disclosed without any application of the guidelines for materiality

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 listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word '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 listed entity holds shares or voting rights aggregating to five per cent 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 under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent 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.
3. Revision in Rating(s).
4. Outcome of Meetings of the board of directors: The listed entity 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 listed entity 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



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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.

6. Fraud/defaults by promoter or key managerial personnel or by listed entity 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.
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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.
