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Policy on transactions with Related Parties

This Policy is in supersession to Policy on transactions with Related Parties earlier approved and adopted by the Board of Directors of the Company in their meeting held on Saturday, 5th August, 2017 and is following provisions of Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) read with relevant provisions of the Companies Act, 2013 (the Act) and Rules framed thereunder. This Policy shall be effective immediately i.e. from Saturday, 9th February, 2019.

For the purpose of this Policy, 'Related Party, Related Party Transactions and Relative' shall have meaning given in the said Regulations and the Act and Rules framed thereunder. For the sake of brevity, they have not been reproduced herein.

Transactions with the related parties which are not material and in ordinary course of business at arm's length and repetitive in nature and those entered into with wholly owned subsidiary, accounts whereof will be consolidated with that of the Company and will be placed at the Annual General Meeting for approval, will only be undertaken by the Company without prior approval of the Audit Committee.

Notwithstanding aforesaid, following transactions will be undertaken only with the approval of the Audit Committee.

- a) Transactions which are material.
- b) Transactions which are unforeseen and not repetitive in nature.
- c) Transactions which are not in ordinary course of business at not at arm's length.
- d) Transactions exceeding threshold limits specified by omnibus approval of the Audit Committee.
- e) Inter-corporate loans given/taken by the Company to/from related parties and purchase/sale of investments from/to related parties.
- f) Transactions in respect of sale or disposal of the undertaking of the Company.
- g) Any other transaction as may be specified by the Audit Committee.

Transactions will be considered to be material, if the same, individually or collectively undertaken together with previous transactions during a financial year with a related party, will exceed 10% of the annual consolidated turnover of the Company as per last audited financial statements.

Based on aforesaid guidelines, Audit Committee may grant omnibus approval for related party transactions by the Company. Such omnibus approval shall be granted by the Audit Committee only if

satisfied about need thereof and that the same is in the interest of the Company, for transactions of repetitive nature specifying names of the related parties, nature of transaction, period of transaction, amount of transaction, etc, on such conditions as the Audit Committee may deem fit and desirable, which shall be valid for a period not exceeding one year and requiring fresh approval on expiry thereof. Details of all such transactions undertaken pursuant to the omnibus approval shall be placed before the Audit Committee for review, periodicity whereof shall be at least quarterly.

All material related party transactions shall be subject to approval of the shareholders, whereon related parties will not vote.


Notwithstanding above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

From half year ending on 31st March, 2019, the Company shall, within 30 days from date of publication of its stand-alone and consolidated financial results, submit disclosures of related party transactions on a consolidated basis in format specified, to the Stock Exchanges and also publish on its Website.

This Policy approved and adopted by the Board of Directors in their meeting held on Saturday, 9th February, 2019 is subject to alteration/modification by the Board of Directors from time to time as and when required. However, the Board of Directors shall review the same at least once in every three years and update accordingly.

A copy of this Policy is being hosted on Company's Website: www.ifglref.com.

For and on behalf of the Board of Directors of
IFGL Refractories Limited



(P Bajoria)
Managing Director



Kolkata
9th February, 2019