

POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT/INFORMATION

Preamble

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 all listed companies are required to frame a Policy for Determination of Materiality of an Event/Information, for disclosure thereof under the said Regulation.

Objective

The Board of Directors of Shivalik Rasayan Limited ('the Company') at its Meeting held on September 13, 2023 has adopted this Policy for Determination of Materiality of an Event/Information with the intention to define the Company's responsibilities towards determination of materiality of any event or information which shall have an effect on the market price of the equity shares of the Company listed on Stock Exchanges and to ensure timely and adequate disclosure of material events and price sensitive information to the Stock Exchanges and on the website of the Company.

Applicability

This Policy for Determination of Materiality of an Event/Information shall be applicable with immediate effect.

Definitions

In this Policy, unless otherwise expressly mentioned,

"Board of Directors" or "Board" means the collective body of the Directors of the Company;

"Committee" means a Committee of the Board;

"Material event/information" means any decision made by the majority shareholders, decisions made at a Members' general meetings or by the Board or a committee or senior management, or any other acts related to company's business and operations that could significantly influence:

- the market price of securities issued by the Company; and/or
- an investor's decision to buy, sell or maintain such securities.

However, the same shall not include any decision in the nature of recommendation, advisory or suggestions given by any committee or the Board or the Senior Management.

"Meeting" means a meeting, duly convened and constituted, of the Board or any committee thereof or of the Members of the Company.

Senior Management” means officers / personnel of the Company who are members of the core management team excluding the Board and also comprise all members of management one level below the Managing Director, Chief Executive Officer, the Whole time director or other Executive Directors and shall specifically include the Chief Financial Officer and the Company Secretary.

Senior Management shall also include functional heads by whatever named called and such other officers / personnel of the Company as may be notified from time to time under the Companies Act, 2013 (as amended) or the Listing Regulations.

Authority

The Managing Director/Chief Executive Officer or Director Finance/Chief Financial Officer and Company Secretary/Compliance Officer of the Company shall together or severally, in consultation with the Senior Management, determine the materiality of an event or information and shall make necessary disclosures to the Stock Exchanges.

Contact details of the Authorized Persons shall be disclosed to the Stock Exchanges and also provided on the website of the Company.

The Managing Director/Chief Executive Officer or Director Finance/Chief Financial Officer and Company Secretary/Compliance Officer of the Company shall together or severally, assist the relevant employees of the Company to identify any potential material event / information and to report the same to the above Authorized Persons for determining the materiality of the said event / information, to enable the above Authorized Persons for making necessary disclosures to the Stock Exchanges.

Deemed material events or information

Events or information specified in Part A (Para A) of Schedule III to the Listing Regulations will be deemed to be material events/information and will be disclosed as per the Listing Regulations, irrespective of application of the materiality criteria.

Determination and Disclosure of materiality of event/information

1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the event/information. In order to ascertain whether a particular event/information is material in nature, materiality criteria as under will be applied:
 - a) the omission of an event or information which is likely to:
 - result in a discontinuity or alteration of an event already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;

The omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the Listing Regulations, will also be considered material.

- b) Any event or information having a significant risk to the reputation of the Company;
- c) In the opinion of the Board of Directors of listed entity, the event/information is considered material.

2. The events or information which shall be disclosed based on application of materiality criteria are given in Annexure-1.
3. Notwithstanding the above, the event / information under Part A (Para B) of Schedule III to the Listing Regulations shall be disclosed based on application of materiality in terms of this Policy / the Listing Regulations.
4. In determining materiality, a number of factors such as the nature of the information, prevailing market conditions, general business practices, industry scenario, business outlook etc. shall be taken into consideration.
5. The Company will disclose Material Information concerning the business and affairs of the Company to the public immediately, except where permitted by law and when otherwise required for the purpose of maintaining the confidentiality of the information.
6. The extent of the disclosures will depend upon the stage of discussions, studies or negotiations.

Disclosure

The Company shall ensure timely disclosure of a material event or information to the Stock Exchanges.

The Company shall first disclose to the Stock Exchanges all events / information, which are considered material in terms of this Policy / the Listing Regulations, as soon as reasonably possible and in any case within the time limits prescribed under the Listing Regulations. In case of any delay, the Company shall, along with such disclosures, provide explanation for such delay.

However, events or information specified in Part A of Schedule III of the Listing Regulations, shall be disclosed within such time limit as may be prescribed under the Listing Regulations from time to time.

The Company shall disclose on its website all such events or information which have been disclosed to the Stock Exchanges as stated above and such disclosures shall be hosted on the website of the Company for a period of 5 (five) years and thereafter as per the Policy for Preservation of Documents & Archival Process of the Company.

Monitoring and evaluation of the Policy

This Policy will be reviewed by the Board from time to time and if required, modify the same in order to comply with the statutory requirements and also to incorporate the best industry practices.

Clarifications

This Policy has been formulated as per prevailing provisions of the Listing Regulations. However, if due to subsequent changes therein, a particular provision or part hereof becomes redundant or is inconsistent with the Listing Regulations, in such case the applicable provisions of the Listing Regulations shall prevail.

This Policy shall be also subject to such clarifications, informal guidance and FAQs as may be issued by SEBI from time to time.

Annexure –1
The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III of the Listing Regulations and this Policy

S. No	Event/Information	Threshold
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division of the Company.	Impact exceeding 5% of Turnover of the Company for one full year of operation.
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) of the Company.	Impact exceeding 5% of Turnover of the Company.
3.	Capacity addition.	Capacity addition in excess of 25% of existing capacity.
4.	Product launch.	Impact exceeding 5% of the Turnover of the Company.
5.	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Consideration exceeding Rs. 100 million in any financial 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.	Borrowings for a minimum period of 5 years for an amount exceeding Rs. 500 million.
7.	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.	Estimated Loss of Rs. 50 million or more.
8.	Effect(s) arising out of change in the regulatory framework applicable to the Company.	Impact of 5% or more to the Turnover as per the last Audited Balance Sheet of the Company.
9.	Litigation(s)/dispute(s)/regulatory action(s) with impact.	Outcome of single litigation/dispute determined by Court of Law (not below High Court) and regulatory action having an impact of not less than 1% of the Turnover.
10.	Fraud/defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company.	Amount exceeding Rs. 7.5 million in case of employees; and any amount in case of Directors of the Company.
11.	Options to purchase securities including any ESOP/ESPS Scheme.	As and when applicable.
12.	Giving of guarantees or indemnity or becoming a surety for any third party.	Impact of 5% of Turnover for each single guarantee/indemnity.
13.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact of 5% of Turnover of the Company.

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