

**POLICY FOR DETERMINATION OF MATERIALITY
OF EVENTS**

SHIVA PHARMACHEM LIMITED

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[Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Securities and Exchange Board of India (“the SEBI or the Board”) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”) vide notification no. SEBI/LAD/NRO/GN/2015-16/013, dated 2nd September, 2015, which was effective from 2nd December, 2015 (90 days from the publication in official gazette). **As per Regulation 30** of the SEBI (LODR) Regulations every listed entity shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed company, is **material as well as any price sensitive information**. The listed entity shall frame a policy for determination of materiality, based on the specified criteria duly approved by its Board of Directors, which shall be disclosed on its website.

The Board of Directors (the “Board”) of M/s. **SHIVA PHARMACHEM LIMITED** (the “Company”) have adopted this “Policy for Determination of Materiality” at their meeting held on _____ which shall be effective from _____.

1) SCOPE

In view of the same, this “Policy for Determination of Materiality” of **Shiva Pharmachem Limited** (“the Company” or “SPL”) has been framed considering that stakeholders of the Company need timely, sufficient & reliable information and communication regarding material events that matters / makes influence on the Company as also the regulatory requirements in compliance with Regulation 30 of the SEBI (LODR) Regulations.

2) OBJECTIVE :-

- a) Enable the investors to make **well-informed investment decisions**;
- b) To ensure that the Company complies with the **disclosure obligations** to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various securities laws and any other legislations.

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- c) To ensure that the information disclosed by the Company is **timely and transparent**.
- d) To protect the **confidentiality** of material/ price sensitive information within the context of the Company's disclosure obligations.
- e) To ensure **uniformity** in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.
- f) To **authorize** the Key Managerial Personnel to determine the **materiality of an event or information** and to make appropriate disclosures to the Stock Exchanges.

3) DEFINITION

a) Authorised Key Managerial Personnel:

Authorised Key Managerial Personnel means Executive Director or Chief Financial Officer or Company Secretary & Compliance Officer or such other officer/department head as may be authorised by the Board of Directors of the Company from time to time, who are authorised, individually or jointly, for determining the materiality of an event or information that qualifies for disclosure and to decide the appropriate time and details of the disclosure(s) to be made to the Stock Exchange(s).

b) Material events:

Material Events mean an event, individual transaction or arrangement which, in the opinion of the authorized Key Managerial Personnel is significant to the operations or performance of the Company as well as any price sensitive information.

c) Price Sensitive Information:

"Price-sensitive information" means any information which relates, directly or indirectly, to the Company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.

d) Compliance Officer:

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Compliance Officer means "**Company Secretary**" of the Company.

e) Policy:

Policy or this policy means "**Policy for Determination of Materiality of Events**".

f) Stock Exchange:

Stock Exchange means any of the recognized Stock Exchanges as defined under clause (f) of section 2 of Securities Contracts (Regulation) Act 1956.

All other Words and expressions used and not defined in this Policy but defined in the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015, the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those Act/Regulations.\

4) CORE POLICY:

a. Background

As per this policy, the Company shall as soon as reasonably possible inform the Stock Exchange(s) of all the events or information which shall have material impact on the performance/operations of the Company, as well as any price sensitive information.

The "Authorised Key Managerial Personnel" shall be entitled to take a view on the materiality of an event or information which are qualifying for disclosure as provided in Para B of Part A of Schedule III of the SEBI (LODR) Regulations and to decide the appropriate time at which such disclosure is to be made with the Stock Exchange(s) and details that may be disclosed in the best interest of present and potential investors as well as stakeholders.

b. Criteria For Determination Of Materiality Of Events/ Information

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The Company shall inform the Stock Exchange of events and developments which are price sensitive in nature or which have a bearing on the performance / operations of the Company or could otherwise substantially impact the company.

In applying the materiality test the Board shall take into account the following:

- a) Whether the non-reporting of an event or information would result in the discontinuity or alterations of the event or information already available in public domain;
- b) Whether the omission of an event or information is likely to result in a significant market reaction if such event or information became public knowledge at a later date;
- c) Whether the information is likely to be of use to a reasonable investor as basis for his investment decisions.
- d) Any event which in the opinion of the Board* is material from a governance point of view and ought to be disclosed to the Stock Exchanges.

**The Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.*

5) REPORTING AND DISCLOSURE:

Regulation 30 of SEBI [LODR] Regulations, have categorized material events and information which will have bearing on the performance/operations of the Company. The disclosures of events and information which the Company shall make to the Stock Exchange(s) as broadly categorized under these regulations are as under:

- a) Events or information in **Annexure A** shall be deemed to be considered as material events and disclosed to Stock Exchanges without any application of the guidelines for materiality i.e. these are mandatorily to be disclosed. The Company shall disclose such events or information to the stock exchange(s) as soon as reasonably possible but not later than 24 (Twenty Four) hours from the occurrence of event of information, however the disclosure

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of events as specified in para 4 of Annexure A shall be given to Stock exchanges(s) within 30 minutes of conclusion of board meeting.

- b) Events that have been provided in **Annexure B** shall be disclosed to Stock Exchanges upon application of the guidelines for materiality as per clause “**Criteria for determination of Materiality of Events/ Information**” of this Policy.
- c) Events of information with respect to subsidiaries which are considered as material for the Company, shall also be disclosed to the stock exchanges(s).

6) IMPLEMENTATION

SPL shall adhere to highest standards with regard to the implementation of this policy. The Executive Director(s) and Compliance Officer as well as Authorised Key Managerial Personnel of the Company shall have overall responsibility for implementing of this policy and shall take internal/external approvals, wherever necessary.

7) WEBSITE

The Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which have been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five (5) years and, thereafter, as per the archival policy of the Company.

8) REVIEW

The Board of Directors of the Company shall have the right to review/amend the policy from time to time in compliance with regulatory requirements.

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Annexure- A

➤ **EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY AS SPECIFIED IN SUB-REGULATION (4) OF REGULATION (30) OF SEBI [LODR] REGULATIONS**

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.

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 Company 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 percent 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 to below items shall be disclosed within 30 minutes of the closure of the meeting:
 - i) 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;

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- ii) Any cancellation of dividend with reasons thereof;
 - iii) The decision on buyback of securities;
 - iv) The decision with respect to fund raising proposed to be undertaken.
 - v) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - vi) 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;
 - vii) Short particulars of any other alterations of capital, including calls;
 - viii) Financial results;
 - ix) 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. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

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9. In case of resignation of an Independent Director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
- i) Detailed reasons for the resignation of Independent Director as given by the said Director.
 - ii) The Independent Director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - iii) The confirmation as provided by the independent director above shall also be disclosed along with the detailed reasons as specified in sub-para (i) above.
10. Appointment or discontinuation of share transfer agent.
11. Corporate debt restructuring.
12. One time settlement with a bank.
13. Reference to BIFR and winding-up petition filed by any party / creditors.
14. 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.
15. Proceedings of Annual and extraordinary general meetings of the Company.
16. Amendments to memorandum and articles of association of the Company, in brief.
17. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
18. The following events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debtor under the Insolvency Code:
- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;

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- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- m) Any other material information not involving commercial secrets.

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ANNEXURE - B

➤ **EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED IN SUB-REGULATION (4) OF REGULATION (30) OF SEBI [LODR] REGULATIONS, 2015.**

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.

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12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

13. 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 Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of Annexure A and B above, the Company may make disclosures of event/information as specified by its Board of Directors from time to time.

Effective Date: 03/04/2023