

**SHANKAR LAL RAMPAL DYE-CHEM LTD.**



***POLICY FOR DETERMINATION  
MATERIALITY OF EVENTS***

# SHANKAR LAL RAMPAL DYE-CHEM LTD.

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION AND DISCLOSURE TO STOCK EXCHANGES**

SEBI has notified SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) on September 2, 2015. As per Regulation 30 of the Listing Regulations, every listed entity is required to frame a policy for determination of materiality of events or information duly approved by its Board of Directors, which would be disclosed on its website.

Accordingly, the Board of Directors of the Company has approved this policy for determination of materiality of events or information which would be disclosed on Company's website.

### **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

- a. Events or information specified in Para A of Part A of Schedule III of the Listing Regulations shall be deemed to be material. These events shall be disclosed without applying the test of materiality. Such events are mentioned in Appendix for ready reference.
- b. In respect of events or information specified in Para B of Part A of schedule III of the Listing Regulations, the following criteria shall be applied for determination of materiality:-
  - (i) **Qualitative Criteria:** An event or information which meets any of the following criteria shall be considered material:
    - (a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or informational ready available publicly; or
    - (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
    - (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of the Company, the event/information is considered material.

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(ii) **Quantitative Criteria:**An event or information shall be considered material on the basis of criteria mentioned below:

S.No	Particulars	Criteria for determining materiality and intimation to Stock Exchanges
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	The target date informed to the Stock Exchanges should be set in a realistic manner.
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	Impact exceeding 10% of turnover.
3.	Capacity addition or product launch	When the capacity addition is 10% of existing capacity or when new product launch involve more than 15 % of cost of goods.
4.	Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.	Value above Rs.100 Cr per order/contract, which are not in normal course of business. Reporting of major amendment to such deals which impacts 10% value of total contract.
5.	Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding <b>and not in normal course of business</b> ) and revision(s) or amendment(s) or termination(s) thereof.	Binding agreements not in normal course of business for value in excess of Rs.100 Cr.
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.	Where the disruption continues for 15days or more. Regular updates shall be given in every 3 months till effect continues.
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company.	Impact exceeding 10% of existing cost of compliance.

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8.	Litigation(s)/dispute(s)/regulatory action(s) with impact.	Value involved 5% of Turnover or 10% of Networth, whichever is higher. Regular updates shall be given at the time of any change/order.
9.	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	At the time of admission of such case where value exceeds Rs. 1 crore. Regular updates shall be given at the time of any change/order.
10.	Options to purchase securities (including any Share Based Employee Benefit(SBEB)Scheme) at the time of instituting the scheme after necessary approvals.	At the time of launch of approved scheme
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	For a value in excess of 10% of networth.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact exceeding 10% of turnover.
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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.	Impact exceeding 10% of turnover.

**Notes:**

In circumstances where “qualitative” test may not be applicable “quantitative” test may be applied to determine materiality.

- a. Turnover indicated above means revenue from operations, as reflected in the latest available audited annual balance sheet of the Company.
- b. The Company does not have listed non-convertible debt securities/non-convertible preference shares, accordingly the events/information relating there to do not form a part of this policy

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## **Authorization for determining materiality of an event or information:**

The Chief Financial Officer is hereby authorised for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) under regulation 30(5) of the Listing Regulations. The contact details of the Chief Financial Officer are as under:

Name and Address	Telephone	E-mail Id
Mr. Susheel Kumar Inani SG 2730, Suwana, Bhilwara-311011 (Raj.)	Phone: +91-9829048050	<a href="mailto:cfo@sr dyechem.com">cfo@sr dyechem.com</a>

A procedure for regular conveyance of relevant information and events to the CFO is being laid down separately, so that functional/departmental head keep the CFO duly informed in this regard. The CFO shall in any case disclose all relevant information/events as they come to his notice in normal course of his duties. In case the position of CFO is vacant, the Board authorises the Company Secretary to ensure compliance of the policy.

## **Disclosure to Stock Exchanges:**

The authorized person shall ascertain the materiality of events or information based on above guidelines and make appropriate disclosure(s) to the Stock Exchanges (with simultaneous intimation to Board of Directors) as under:

- 1) Outcome of Board meeting: Within 30 minutes of the closure of the meeting
- 2) Events or information specified in Para A of Part A of Schedule III of the Listing Regulations shall be disclosed as soon as reasonably possible and not later than 24 hours from the occurrence of event or information.
- 3) In other cases within 24 hours of any event/information becoming material.

## **Display:**

The Company will disclose on its website all such events or information which have been disclosed to Stock Exchange(s). Further, the policy shall be displayed on the Company's website and intranet.

## **Modification in the Policy:**

The Board of Directors may at its sole discretion modify this Policy at any time as it may deem fit in view of various factors including the changes in applicable laws and regulations and change in turnover significantly.

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## APPENDIX-A

### **A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

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,-

- acquiring control, whether directly or indirectly; or,
  - 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 5% 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 2% 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:

- 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;
- any cancellation of dividend with reasons thereof;
- the decision on buyback of securities;
- the decision with respect to fund raising proposed to be undertaken
- increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- 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;
- short particulars of any other alterations of capital, including calls;
- financial results;
- decision on voluntary delisting by the listed entity from stock exchange(s).

[Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.]

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 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. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
  - (i) Decision to initiate resolution of loans/borrowings;
  - (ii) Signing of Inter -Creditors Agreement (ICA) by lenders;
  - (iii) Finalization of Resolution Plan;
  - (iv) Implementation of Resolution Plan;
  - (v) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.
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.

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14. Amendments to memorandum and articles of association of listed entity, in brief.
15. a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors. Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.  
(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
  - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
  - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls: The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.
16. The events (specified in Listing Regulations) in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.
17. The Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
  - a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.]



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**B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

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 Company
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc., by Directors (other than KMP) 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.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**C. 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.

**D. Without prejudice to the generality of para (A), (B) and (C) above,**

The Company may make disclosures of event/information as specified by the Board from time to time.