



Vishnu Chemicals Limited

POLICY ON DETERMINATION OF MATERIALITY

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1. Statutory Mandate

The Board of Directors (The “Board”) of Vishnu Chemicals Limited (the “Company” or “VCL”) has adopted the following policy and procedures for determination of materiality with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges based on criteria as specified in the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and as may be deemed necessary adopted as part of this policy. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company as per the Clause 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

2. Policy Objective and Scope

To determine the events and information as specified in Regulation 30 of LODR and which in the opinion of the Board are material and needs to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The purpose of this documents is to present a high level policy statement for Vishnu Chemicals Limited (VCL) regarding determination of materiality for disclosure of material events / information in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation of website, the details of information / events which are considered material or not but which may have a bearing on the performance of the Company and which may materially affect the share prices of the company.

3. All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI’s LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

4. Definitions

“Audit Committee or Committee” means Audit Committee constituted by the Board of Directors of the Company, from time to time under provisions of SEBI LODR, 2015, RBI Act and/or the Companies Act, 2013.

“Board of Directors or Board” means the Board of Directors of Vishnu Chemicals Limited, as constituted from time to time.

“Company” means a Company incorporated under the Companies Act, 1956 or under any other Act prior to or after the Companies Act, 1956.

“Independent Director” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI’s LODR, 2015 entered into with the stock exchanges.

“Policy” means Policy on Determination of Materiality.

“Material Events” are those that are specified in Para A of Part A of Schedule III of the LODR.

“Other Events” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation (4).

“LODR” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Key Managerial Personnel” (KMP) of the Company includes Managing / Whole-time Directors, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

5. Policy

Either based on the recommendation of the Audit Committee or suo moto, the Board of Directors of the Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock exchanges as per the time span specified.

6. Criteria for disclosure of events / information

The company shall consider the following criteria for determination of materiality of events/ information:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already 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; or
- c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (1) two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (2) two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - (3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

In case where the criteria specified above is not applicable, an event or information will be treated as material as may be decided by the board of directors.

7. **Timeline for disclosure of events / information**

The Company shall first disclose to the stock exchange(s) all such events or information which are material as soon as reasonably possible and in any case not later than:

- (i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company

8. **Material Events/ Information**

CATEGORY A

Events which shall be disclosed **without any application of the guidelines for materiality** as specified under Regulation 30 within the timeline as specified in Para 7 of this policy unless otherwise expressly provided herein are :

- 1) Acquisition(s), (including agreement to acquire), Scheme of Arrangement (amalgamation / merger / demerger / restructuring), sale or disposal of unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Where "Acquisition" shall mean:

- (i) acquiring control, whether directly or indirectly; or
- (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that
 - a) 5% or more of the shares or voting rights is held by VCL
 - b) there has been a change in existing shareholding or voting rights from last disclosure by 2% or more
 - c) cost of acquisition of shares so acquired exceeds limits as specified in Para 6(c) of this policy:

Where "sale or disposal of subsidiary" and "sale of stake in associate company" shall include

- (i) sale or agreement to sell shares or voting rights in a company such that the company ceases to be a wholly-owned subsidiary, a subsidiary or an associate company of VCL.
 - (ii) sale or agreement to sell shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in Para 6(c) of this policy.
- 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) New Rating(s) or Revision in Rating(s)
- 4) Outcome of the Board Meetings held to consider the following within 30 minutes of the closure of the meeting:
 - a) declaration of 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 capitalisation including the date on which such bonus shares shall be credited/ dispatched;
 - f) re-issue of forfeited shares or securities, or 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 Company from Stock Exchange(s).
- 5) 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.
- 5A) Agreements (which are not in the normal course of business or which either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company) entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.
- 6) Fraud / default by the Company , its promoter, director, key managerial personnel, senior management or subsidiary or arrest of KMP, senior management, promoter or director of the Company, whether occurred in India or abroad.
- 7) Changes in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- 7A) In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

- 7B) In case of resignation of independent director, a) the letter of resignation along with detailed reasons for the resignation as given by the said director; b) names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any; c) detailed reasons of resignation by the independent director along with confirmation that there is no other material reasons other than those provided with; shall be disclosed within seven days from the date of resignation
- 7C) In case of resignation of key managerial personnel, senior management, compliance officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by them shall be disclosed within seven days from the date that such resignation comes into effect.
- 7D) In case where the Managing Director or Chief Executive Officer of the Company is indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
- 8) Appointment or discontinuation of share transfer agent.
- 9) Resolution plan/restructuring in relation to loans/borrowings from banks/financial institutions.
- 10) One time settlement with a bank.
- 11) 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.
- 14) Amendments to memorandum and articles of association.
- 15) a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.
- 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

16) 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;
- 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 Policy of Determination of Materiality Last updated: July 21, 2023 Page 5/9 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) specific features and details of the resolution plan as approved by the adjudicating authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) pre and post net-worth of the company;
 - (ii) details of assets of the company post CIRP;
 - (iii) details of securities continuing to be imposed on the companies' assets;
 - (iv) other material liabilities imposed on the company;
 - (v) detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) details of funds infused in the company, creditors paid-off;
 - (vii) additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) impact on the investor - revised P/E, RONW ratios etc.;
 - (ix) names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) brief description of business strategy.
- m) any other material information not involving commercial secrets;
- n) proposed steps to be taken by the incoming investor/acquirer for achieving the minimum public shareholding;
- o) quarterly disclosure of the status of achieving the minimum public shareholding;
- p) the details as to the delisting plans, if any approved in the resolution plan.

- 17) In case of initiation of forensic audit:
- 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.
- 18) Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the Company in terms of Regulation 30 of the Regulations and is not already made available in the public domain by the listed entity.
- 19) Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- a) search or seizure; or
 - b) re-opening of accounts under Section 130 of the Companies Act, 2013; or
 - c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
- 20) Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the company, in respect of the following:
- a) suspension;
 - b) imposition of fine or penalty;
 - c) settlement of proceedings;
 - d) debarment;
 - e) disqualification;
 - f) closure of operations;
 - g) sanctions imposed;
 - h) warning or caution; or
 - i) any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;

- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the company, quantifiable in monetary terms to the extent possible.

21) Voluntary revision of financial statements or the report of the board of directors of the company under Section 131 of the Companies Act, 2013.

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of LODR, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

Note: In case the disclosure is made after the timelines specified, then the company shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

CATEGORY B

Events / Decisions considered Material in view of the Board of Directors which needs to be disclosed to the stock exchanges **upon application of the guidelines** for materiality as mentioned in Para 6 of this policy read with Regulation 30 of LODR :

- 1) Commencement or any postponement of the date of commercial production or commercial operation of any unit / division.
- 2) Any of the following events pertaining to the listed entity:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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 for loan or any other agreements which are binding and not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof.
- 6) Disruption of operation of any one or more units or division due to natural calamity or other events.
- 7) Effects arising out of change in regulatory framework applicable to the Company.
- 8) Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have impact on the Company.

- 9) Frauds or defaults by employees of the Company which has or may have an impact on the Company.
- 10) Options to purchase securities including ESOP/ESPS scheme.
- 11) Giving of guarantees or indemnity or becoming a surety, by whatever name called for any third party.
- 12) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- 13) Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

CATEGORY C

Any event which in the view of the Board/ Whole-time Directors of the Company is material or any other information/events (major developments) that is likely to affect business which may include but are not restricted to:

- emergence of new technology
- expiry of patents
- any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof.
- any other information which is exclusively known to the Company which may be necessary to enable the holders of securities to appraise its position and to avoid the establishment of a false market in such securities.

9. Authority for determination of Materiality of events / information

The Key Managerial Personnel (KMPs) consisting of the Managing / Whole-time Director, Chief Finance Officer and the Company Secretary are hereby jointly and severally authorised to determine whether the event / information is material or not and in turn about its timeline for disclosure based on the category of information as specified above to the stock exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.

10. Website Updation / Updates to stock exchanges

The Company shall update all disclosures made under the regulations to the stock exchanges on its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the archival policy of the Company.

The Compliance Officer of the Company, shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

11. Disclosure of events / information on Subsidiaries

The KMPs of the company jointly and severally in consultation with the Board of Directors shall disclose such events / information about its subsidiary which are considered material in nature and whose disclosure is likely to materially affect the share prices of the Company.

12. Authorisation to KMPs to suo moto accept / deny reported event or information

The Key Managerial Personnel (KMPs) consisting of the Managing / Whole-time Director, Chief Finance Officer and the Company Secretary are hereby jointly and severally authorised to suo moto accept / deny any report event or information, which has been unauthorisedly made public by media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

13. Compliance Officer

The Compliance Officer for the Purpose of complying with the provisions of LODR, 2015 shall be the Company Secretary of the Company.

14. Policy Review

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.
