



POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENT / INFORMATION

Preamble

The policy for determination of Materiality for Disclosure of events or information is framed in accordance with the requirement of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Purpose

The purpose of this Policy is to determine materiality of events or information relating to the Company and to ensure that such information is disseminated in accordance with the Regulations to enable investors to be updated with changes relating to the Company to take well-informed investment decisions.

Definition

“**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

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

“**Company**” means Sunshield Chemicals Limited.

“**Key Managerial Personnel**” means key managerial personnel as defined in the Companies Act, 2013.

“**Policy**” means this Policy on Criteria for Determining Materiality for Disclosure of Events or Information and as may be amended from time to time.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other law or regulation to the extent applicable to the Company.

Authorized Personnel

The materiality or otherwise of an event or information in terms of the Listing Regulations will be determined severally by the Managing Director and Chief Executive Officer, Chief Financial Officer and the Company Secretary (“Authorized Persons”) who will ensure disclosures are made to Stock Exchange(s) in accordance with the provisions of this Policy.

The Authorized Persons will also decide the appropriate period / stage at which disclosure is to be made to the Stock Exchange(s) including details that may be disclosed.

Criteria for determination of materiality of events / information

- A) Events specified in Schedule III Part A (A) of the Listing Regulations as amended from time to time are deemed to be material events and will be disclosed without any application of the guidelines for materiality.
- B) The following guidelines will be applied for determining materiality for events specified in Schedule III Part A (B) of the Listing Regulations, as amended from time to time.
- 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;
 - 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) 2% of turnover, as per the last audited consolidated financial statements of the Company.
 - (2) 2% 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) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
 - d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material.
- 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) The Company will generally endeavour to disclose material information concerning the business and affairs of the Company promptly, except when required for the purpose of maintaining the confidentiality of the information
- E) the Company may make disclosures of event / information as specified by SEBI from time to time.

Procedural Guidelines for determination of materiality of events/ information

The Head of the Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Managing Director or Chief Financial Officer or Company Secretary of any event / information which may possibly be material or of which the Responsible



Officer is unsure as to its materiality. The event / information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event / information, Chief Financial Officer or Company Secretary will:

- Review event / information and to take whatever steps necessary to verify its accuracy.
- Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations.
- Report the matter to the Managing Director of the Company that event / information is material and requires disclosure under Regulation 30 of the Listing Regulations.

Where the Managing Director or Chief Financial Officer or Company Secretary is not certain about materiality of event / information, they may refer matter for external legal advice.

Disclosure of events or information

The company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (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:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.

Communication of this Policy

This Policy will be communicated to all Directors and employees of the Company. This Policy shall also be posted on the website of the Company.

Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.