



TATVA CHINTAN PHARMA CHEM LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

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1. Introduction:

- This Policy shall be called “**Policy for Determination of Materiality of Events/ Information**” (hereinafter referred to as “the Policy”) of Tatva Chintan Pharma Chem Limited. (hereinafter referred to as “the Company”).
- Regulation 30(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Regulations’) requires the listed entity to frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its Board of Directors, which shall be disclosed on its website.
- Further, Regulation 30(5) of the Regulations inter-alia stipulate that 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.
- Accordingly, Tatva Chintan Pharma Chem Limited herein sets out a Policy for determination of materiality of events and information and disclosure thereof.

2. OBJECTIVES OF THE POLICY:

The objective of this policy is to ensure continuous, adequate, accurate and timely disclosure of information by Tatva Chintan Pharma Chem Limited to the Stock Exchanges on an ongoing basis.

1. Every listed entity is required to make disclosures of any events or information:
 - a. Which, in the opinion of the Board of Directors of the listed company, is material.
 - b. Specified in Schedule III , Part A, Para A of the Regulations which are deemed to be material events and a listed entity is required to make disclosure of such events without any application of materiality principles.
 - c. Specified in Schedule III , Part A, Para B of Schedule III, of the Regulations based on application of the guidelines for materiality.
 - d. 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.

3. **DETERMINATION OF MATERIALITY**

Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the Company shall follow the criteria as enumerated hereunder for determination of materiality of events/ information falling under Clause 4:

- (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 which 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) above 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.

4. CLASSIFICATION OF MATERIAL EVENTS/INFORMATION

(A) The following illustrative list of event/s, as stated under Schedule III, Para B of Part A of the Regulations, shall be disclosed to the Stock Exchanges on application of the guidelines for materiality in this policy.

- a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- b) 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).
- c) Capacity addition or product launch.
- d) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- e) 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.
- f) 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.
- g) Effect(s) arising out of change in the regulatory framework applicable to the listed entity
- h) Litigation(s) / dispute(s) / regulatory action(s) with impact.

- i) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- j) Options to purchase securities including any ESOP/ESPS Scheme.
- k) Giving of guarantees or indemnity or becoming a surety for any third party.
- l) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

(B) The following event/information shall be necessarily disclosed to the Stock Exchanges without any application of the guidelines for materiality.

- a) 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,-
 - (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 listed entity 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 per cent of the total shareholding or voting rights in the said company.
- b) 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.
- c) Revision in Rating(s).

d) 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:

- 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;
- 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 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.

- e) 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.
- f) Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

- g) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- h) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- i) Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
 - i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
 - 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 by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
- j) Appointment or discontinuation of share transfer agent.
- k) 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.

- l) One time settlement with a bank.
- m) Reference to BIFR and winding-up petition filed by any party / creditors.
- n) 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 listed entity.
- o) Proceedings of Annual and extraordinary general meetings of the listed entity.
- p) Amendments to memorandum and articles of association of listed entity, in brief.
- q) (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.

- r) The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - i. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;

- ii. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- iii. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ;
- iv. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- v. 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;
- vi. Appointment/ Replacement of the Resolution Professional;
- vii. Prior or post-facto intimation of the meetings of Committee of Creditors;
- viii. 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;
- ix. Number of resolution plans received by Resolution Professional;
- x. Filing of resolution plan with the Tribunal;
- xi. Approval of resolution plan by the Tribunal or rejection, if applicable;
- xii. 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 persons(s), 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.
- xiii. Any other material information not involving commercial secrets.
 - xiv. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - xv. Quarterly disclosure of the status of achieving the MPS;
 - xvi. The details as to the delisting plans, if any approved in the resolution plan.
 - xvii. 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.

The above events are indicative and drawn as per Regulation. In case of amendment in the Regulations, the list of the aforesaid events would be deemed to be amended as per the Regulations.

5. DISCLOSURE OBLIGATIONS

- i) All Senior Management Personnel / Officers of the Company shall be under an obligation to disclose material event/information to the Compliance Officer.
- ii) Upon receipt of information mentioned at serial 5 (i) above, the Key Managerial Personnel of the Company shall make disclosure of the material events / price sensitive information to the Stock Exchange(s) with information to Director (Finance), the Functional Director(s) and the Chairman & Managing Director.
- iii) The Key Managerial Personnel shall disclose all material events/information mentioned in clause (i) as soon as reasonably possible and not later than twenty-four hours (24 hrs) from the occurrence of events or information.
- iv) In case the disclosure is made after twenty-four hours of occurrence of event or information, the explanation for delay shall also be provided along with the disclosure.
- v) All disclosures made by the company to the stock exchanges shall be hosted on the website of the company for a minimum period of five years.

6. AMENDMENTS TO THE POLICY:

The Chairman & Managing Director and Chief Financial Officer are authorized to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. The Chairman & Managing Director and Chief Financial Officer are jointly authorized to amend this Policy from time to time based on changing requirements as prescribed by SEBI / Stock Exchange(s).

7. PUBLICATION OF POLICY:

The policy shall come into effect from the date of its adoption. A copy of the policy shall be hosted on the website of the Company.



