

Policy For Determination Of Materiality Of Information/Events For Disclosure To Stock Exchanges

1. PREAMBLE

The Policy on Determination of Materiality of events or information that warrant disclosure to investors has been framed in compliance with the requirements of the Listing Regulations. This Policy provides an overall framework for disclosure of information or events of the Company pursuant to Regulation 30 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). This Policy is adopted by the Board of Directors on April 30, 2024 and it is subject to further changes, as may be appropriate, in conformity with the requirements of the SEBI LODR Regulations, as amended from time to time.

The words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable Laws, and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

2. OBJECTIVES

The objectives of this Policy are as follows:

- a. 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 (In India or Overseas).
- b. To ensure that the information disclosed by the Company is timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.
- g. To assist relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel for making the necessary disclosures to the stock exchange(s)

3. DEFINITIONS

1. "Board" or "Board of Directors" means the collective body of the Directors of the Company as constituted from time to time;

SHILCHAR TECHNOLOGIES LIMITED



2. "Company" shall mean Shilchar Technologies Limited;
3. "Guidance Manual" shall mean the 'Guidance Manual for making Disclosures of Events or Information under the Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges';
- d) "Material Event/s" means those event/s specified in: (i) Para A of Part A of Schedule III of the SEBI LODR Regulations, being deemed material events, which the Company shall compulsorily disclose; (ii) events specified in Para B of Part A of Schedule III of the SEBI LODR Regulations, which the Company shall disclose, based on guidelines for materiality as specified in 4 herein; (iii) events specified in Para C of Part A of Schedule III of the SEBI LODR Regulations; (iv) events specified in Part B of the SEBI LODR Regulations; (v) all information having a bearing on the performance/ operation of the Company, price sensitive information or any action that shall affect the payment of interest or redemption of non convertible debt securities; and (vi) any event which may have a material effect on the Company;
- e) "Key Managerial Personnel" or "KMP" means the personnel as defined under Section 2(51) of the Companies Act, 2013, read with the rules and regulations issued thereunder, as amended from time to time;
- f) "Officer" shall have the same meaning as under the Companies Act, 2013, together with rules and regulations issued thereunder, as amended from time to time;
- g) "Relevant Employee" for the purpose of this Policy shall mean all Key Managerial Persons, Senior Management Persons, all Head of Departments and one line below Head of Departments.
- h) "Ordinary course of business" or "normal course of business" means all activities that are necessary, normal or incidental to the business of the Company and are permitted by objects of the Company. These would also include common practices, historical practices and customs of commercial transactions with a pattern of frequency.
- i) "Policy" means this Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges;
- j) "SEBI" means the Securities and Exchange Board of India;
- k) "SEBI Circular" means circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015, and SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 issued by the SEBI on continuous disclosure requirements for listed entities, as amended or substituted from time to time;
- l) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956, as amended from time to time;
- m) "Stock Exchanges" means stock exchanges on which the Securities of the Company are listed; and

SHILCHAR TECHNOLOGIES LIMITED



n) "Subsidiaries" means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013, read with the rules and regulations issued thereunder, as amended from time to time. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR Regulations or any other applicable law or regulation to the extent applicable to the Company.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

4.1 Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information. The same shall be considered as Material, if it meets the following criteria:

- (a) the event or information is in any manner unpublished price sensitive information;
- (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) 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;
- (d) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (i) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - (ii) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative; (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements
- (e) 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 or the KMPs authorized by Board of Directors to make disclosures of material events pursuant to this policy, the event or information is considered material:

For the purpose of determining whether an event or information is material or not following steps shall be taken :

4.2 Classifying the information or event as

- Monetary Events / Information : Having an immediate monetary impact in the current or next financial year.
- Non -Monetary Events / Information : Not having any immediate monetary impact in the current or next financial year.

4.3 For Monetary Events/Information if the total monetary impact of the event/information on the either the assets, liabilities, expenses turnover, profitability of the Company exceeds the limit of lower of either of the following :

- two percent of turnover, as per the last audited consolidated financial statements of Company,

NEAR MUVAL SUB STATION, PADRA JAMBUSAR HIGHWAY, GAVASAD, VADODARA – 391430, INDIA.
PHONE: (+91) 7624090901/2 **E-MAIL:** info@shilchar.com **WEBSITE:** shilchar.com
CIN:L29308GJ1986PLC008387

- two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative
- five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of Company

such events shall be classified as material events and promptly disclosed to the stock exchanges and on the website of the Company by any of the Authorised KMP's.

4.4 For Non-Monetary Events/Information that, have a bearing on the performance/operation of the Company or which is considered to be unpublished price sensitive information as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall be evaluated by the Authorised KMP's for disclosure. The Authorised KMP's shall evaluate the information based on the criteria as provided in Regulation 30(4) of SEBI LODR Regulations.

5. DISCLOSURES OF EVENTS OR INFORMATION

- Events specified in Para A of part A of Schedule III of the Listing Regulations shall be deemed to be material events and the Company shall make disclosure to of such events or information as soon as reasonably possible and as per the SEBI Circular dated July 13, 2023 and not later than twelve hours / twenty-four hours from the occurrence of the same.
- The Company shall make disclosure of events specified in Para B of part A of Schedule III of the Listing Regulations as amended from, based on application of Guidelines for materiality, as specified in this Policy.
- The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- The Company shall disclose all events or information with respect to its Subsidiaries, which are material for the Company.
- The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. Further, on its own initiatives shall confirm or deny any event or information to stock exchange reported in the media.
- In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

6. AUTHORISATION FOR DISCLOSURES

The Board of Directors has authorized jointly and severally, the Managing Director, Chief Financial Officer and Company Secretary of the Company for the purpose of determining materiality of event or information, and for the purpose of making disclosures to stock exchange(s).

SHILCHAR TECHNOLOGIES LIMITED



Contact Details of Authorised Person : The Authorised Persons can be contacted on the following mail id : cs@shilchar.com ; info@shilchar.com

7. POLICY REVIEW

The Authorized Persons may review the Policy from time to time. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

8. 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 has 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 years and thereafter as per the archival policy of the Company.

9. CONTACT DETAILS

Questions or clarifications about the policy or disclosures made by the Company should be referred to the Company Secretary and Compliance Officer, who is in charge of administering, enforcing and this policy.

Vishnupriya Civichan
Company Secretary and Compliance Officer
Shilchar Technologies Limited
BLOCK NO. 460, Near Muval sub-station,
Padra-Jambusar Highway, Gavasad, Vadodara, 391430
Email: cs@shilchar.com

10. DISCLOSURES OF EVENTS AND INFORMATION

- (i) Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30): All events / information as enumerated in PART A (A) Schedule III of the SEBI (LODR) Regulations 2015 as may be amended, substituted or modified from time to time.
- (ii) Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

Schedule III Part B Sub clause no.	Event / Information	Classification as per Policy	When to be considered material
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Monetary Event / Information	When monetary impact exceeds thresholds as per the limits set in Clause 4.3 above
2.	Any of the following events pertaining to the listed entity: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or (iii) closure	Can be either Monetary or Non-monetary	When monetary impact exceeds thresholds as per the limits set in Clause 4.3 above If the event is non monetary,

NEAR MUVAL SUB STATION, PADRA JAMBUSAR HIGHWAY, GAVASAD, VADODARA – 391430, INDIA.
PHONE: (+91) 7624090901/2 **E-MAIL:** info@shilchar.com **WEBSITE:** shilchar.com
CIN: L29308GJ1986PLC008387

SHILCHAR TECHNOLOGIES LIMITED



	of operation of any unit, division, or subsidiary(entirety or piecemeal)		then as may be evaluated by the Authorised KMP's.
3	Capacity addition or product launch	Monetary Event /Information	Any capital expenditure on growth projects (other than regular sustenance capital expenditure) as per the Capex Plan approved by the Board, Capacity addition Product launch if its monetary impact exceeds thresholds as per the limits set in Clause 4.3 above
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business	Monetary Event /Information	A single order received from a single customer in excess threshold as per limits set in clause 4.3by the Company or its material subsidiary/ies, any amendment or termination of orders, not in the normal course of business, shall be disclosed
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	Monetary Event /Information	When monetary impact exceeds thresholds as per the limits set in Clause 4.3 above.
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	Can be either Monetary or Non-monetary	If the disruption continues for more than 7 consecutive days of any one or more units or divisions or subsidiary etc. having significant impact on the Company in achieving its targets/plans for the financial year and loss in turnover/operations as per limit of Clause 4.3
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company	Can be either Monetary or Non-monetary	If the effect can be quantified in monetary terms then as per

SHILCHAR TECHNOLOGIES LIMITED



			limits of Clause 4.3above If non – quantifiable, then as may be evaluated by the authorised KMPs
8.	Litigation(s) / dispute(s) regulatory action(s) with impact	/ Can be either Monetary or Non-monetary	If the effect can be quantified in monetary terms then as per limits of Clause 4.3above. If non – quantifiable, then as may be evaluated by the authorised KMPs.
9.	Fraud / defaults etc. by directors (other than key managerial personnel) or employees of Company	Can be either Monetary or Non-monetary	As may be evaluated and approved by the Audit committee.
10.	Options to purchase securities including any ESOP/ESPS Scheme;	Can be either Monetary or Non-monetary	If the effect can be quantified in monetary terms – as per limits of Clause 4.3 above. If non – quantifiable, then as may be evaluated by the authorised KMPs
11.	Giving of guarantees or indemnity or becoming a surety for any third party	Monetary Event /Information	As per the limits of Clause 4.3 above.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	Can be either Monetary or Non-monetary	If the effect can be quantified in monetary terms then as per limits of Clause 4.3above If non – quantifiable, then as may be evaluated by the authorised KMPs.
13.	Delay or Default in the payment of fines, penalties, dues etc. to any regulatory, statutory, enforcement or judicial authority	Monetary Event /Information	As per the limits of Clause 4.3 above.

SHILCHAR TECHNOLOGIES LIMITED



Any other information/event viz. major development that is likely to affect business as per the guidelines stated in point 4 of this Policy, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, business collaboration /joint venture agreements 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.

Nothing in this policy is intended to restrict the Company from voluntarily disclosing any additional information as may be considered necessary by the Board/ Authorized KMP's for disclosure to the shareholders.

Event and Information specified in Part A of Schedule III of the Regulations shall be disclosed to the Stock Exchange by the Company as soon as reasonably possible and not later than the timelines prescribed under SEBI Circular and Regulations i.e within twelve hours if emanating from the Company and within twenty four hours if emanating from outside the Company from the occurrence of the event.

In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within thirty minutes from the closure of such meeting as against the timeline indicated in the table above.

11. DISCLOSURE ON WEBSITE OF THE COMPANY

This Policy shall be disclosed on the website of the Company www.shilchar.com. The Company shall also disclose on its website all such events or information which has been disclosed to stock exchanges under this Policy, and such disclosures shall be hosted on the website of the Company for a period of five years.

12. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Regulations or any other statutory enactments, the statutory enactments and Regulations shall prevail over this Policy.

13. AMENDMENTS AND UPDATES

The Board of Directors may amend this Policy from time to time as may be required to comply with the applicable laws and Regulations.
