

VERONICA PRODUCTION LIMITED



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION



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1. BACKGROUND:

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria specified in Regulation 30 of the said Regulations and the same is also required to be disclosed on the Company's website.

2. SCOPE:

The Policy has been prepared in accordance with the applicable provisions of Listing Regulations and Companies Act 2013 and rules made thereunder. Any subsequent amendment/ modification in the applicable statutes in this regard shall automatically apply to this Policy.

This Policy describes, inter alia, the illustrative list of events or information which are considered to be material as per the Regulations and/ or in the opinion of Board. The Board vide this Policy has attempted to prescribe guidance for deciding the magnitude of the materiality of events and information.

This policy shall be put on the website of the company.

3. DEFINITIONS & INTERPRETATIONS:

In this Policy, unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (b) "Board" shall mean the Board of Directors of VERONICA PRODUCTION LIMITED and shall include any Committee thereof authorized for the purpose.
- (c) "Company" shall mean VERONICA PRODUCTION LIMITED.
- (d) "Committee" means any Committee formed under the delegated authority of the Board.
- (e) "Key Managerial Personnel", in relation to a company, means as defined under the Companies Act, 2013 and the rules made there under.
- (f) "Net worth" means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

(g) "Paid-up share capital" or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

(h) "Regulations" shall mean SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

(i) "Stock Exchange" means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.

(j) "Material Subsidiary" means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of VERONICA PRODUCTION LIMITED and its subsidiaries in the immediately preceding accounting year.

(k) "Turnover" as defined under Section 2(91) of the Act means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and / or Regulations.

4. DISCLOSURES OF EVENTS OR INFORMATION:

This policy sets forth the guidelines for disclosure of material events or information.

1. Category A - Events or information

Category A refers to such events or information which are deemed to be material events or information without application of materiality test. The indicative list of such events or information is given as an **Annexure I**.

2. Category B - Events or information

Category B refers to such events or information which are proved to be material on the application of materiality test. For determining materiality of events, the following criteria shall be applied:

- I. omission of which is likely to result in discontinuity or alteration of event or information already available publicly,
- II. omission of which is likely to result in significant market reaction if the said omission came to light at a later date, or
- III. which are in the opinion of Board of Directors or any Committee thereof or any other person authorized for the purpose considered to be material.

The indicative list of such event or information is given as an **Annexure II**.

However, the list of events / information given in Annexure I & II are indicative and not exhaustive and the necessity or obligation to make the requisite disclosure depends upon magnitude of impact of such events or information and on the facts of each case. Any event or information which is considered material in accordance with the policy shall also be disclosed even if it is not specially listed in Annexure I or Annexure II of the policy.

5. PRINCIPLES FOR DETERMINING MATERIALITY OF EVENTS:

Determination of Materiality: (Materiality test)

- a) Materiality will be determined on a case-to-case basis depending on nature of the events, specific facts, magnitude of likely impact in case such event is omitted to be disclosed and the circumstances relating to the information or event. To determine whether a particular event or information is material in nature, the company may either consider the qualitative criteria as defined under clause IV (2) or
- b) Quantitative criteria defined under clause VI,

for each event listed under **Annexure II**

6. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION:

Keeping in view the principle for determination of materiality of events or information as mentioned in Clause V(b) above, materiality threshold has been defined as follows for events / information specified in **Annexure II**

Such events or information shall be considered material:

- where the value involved in it exceeds 10% of the consolidated gross turnover or revenue or total income or net worth;
- OR
- where the impact of it exceeds 5% of the consolidated gross turnover or revenue or total income or net worth;

The above threshold shall be calculated on annualized basis on the basis of audited financial

7. GENERAL OBLIGATION FOR DISCLOSURES:

statements of the last audited financial year.

1. Any one of, Managing Director or Chief Financial Officer of the Company, is severally authorized to take a view on whether the event or information falls within the materiality threshold as mentioned under Clause VI of this policy, which qualifies for disclosure under Regulation 30 (5) of the Listing Regulations and intimate to the Company Secretary to disclose the said event or information to the Stock Exchanges. The contact details of Managing Director or Chief Financial Officer shall also be disclosed to the Stock Exchange(s) as well as on the website of the Company

2. The Company shall disclose all material events / information first to Stock Exchange(s) and upload the disclosure on the website of the Company as soon as reasonably possible and not later than twenty-four hours from the occurrences of event or information. Provided that in case the disclosure is made after twenty-four hours of occurrence of events or information, the Company shall provide reasons of delay along with the disclosure.
3. The information disclosed to the Stock Exchange(s) shall be also placed on the website of the Company and the Company shall ensure that such information is hosted for a minimum period of 5 years. Thereafter the information may be handled as per the archival policy of the Company as disclosed on its website.
4. The Company shall disclose all events or information which are material for the Company with respect to its material subsidiaries in accordance with this policy.
5. The Company shall provide specific and adequate reply to all queries raised by stock exchange with respect to any events or information.
6. The Company shall also on its own initiative, confirm or deny any reported event or information to the stock exchange(s).
7. The material events or information which are not contained in the Policy but are considered to be material in the opinion of the Company shall also be disclosed to the Stock Exchange.

8. AMENDMENT:

1. The Board or Committee so authorized for the purpose shall have the powers to review or amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.
2. The Board or Committee so authorized for the purpose may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

9. CONTACT DETAILS OF KEY MANAGERIAL PERSONNEL:

Pursuant to Regulation 30 (5), the contact details of the Key Managerial Personnel authorized for the purpose of determining the materiality of event or information are as under:

Mr. Nirbhay Dave - Managing Director
Email: <u>shreychemicals@gmail.com</u>
Phone: +91 99786 16014

ANNEXURE - I

Indicative List of events or information deemed to be material without application of Materiality test:

Sr. No.	Events or information
1	<p>Acquisition (including agreement to acquire), Scheme of Amalgamation (amalgamation/ merger/ demerger/ restructuring), Sale or disposal of unit(s) or division(s) or subsidiary of the Company or any other restructuring: Explanation - '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 -</p> <p>a) the Company 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 and such change exceeds two per cent of the total shareholding or voting rights in the said company.</p>
2	Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities, any action, which will result in alteration of the terms or structure of any existing securities, including, forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities, etc.
3	Revision in Rating(s).
4	<p>Outcome of meetings of the Board within 30 minutes of the closure of the meeting held to consider the following:</p> <ul style="list-style-type: none">• 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 would 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 from stock exchange(s);
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 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.

6	Fraud/Defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter: <ul style="list-style-type: none"> At the time of unearthing of fraud or occurrence of the default / arrest Subsequently intimate the stock exchange(s) further details regarding the fraud/default/arrest
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	Corporate debt restructuring ("CDR")
10	One time settlement (OTS) 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 Company
13	Proceedings of annual and extraordinary general meetings
14	Amendments to memorandum and articles of association
15.	Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors

ANNEXURE - II

Sr. No.	Events or information
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 <ul style="list-style-type: none"> Arrangements for strategic, technical, manufacturing, or marketing tie-up Adoption of new line(s) of business in case of entering into new industry 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, revision(s) or amendment(s) and termination(s) thereof.

6	<p>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.:</p> <ul style="list-style-type: none"> • At the time of occurrence • Regularly, till complete normalcy is restored
7	Effect(s) arising out of change in the regulatory framework applicable to the Company.
8	Litigation(s) / dispute(s) / regulatory action(s) with impact
9	Frauds/ defaults by directors (other than key managerial personnel) or employees of the 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 other than group or associate Companies.
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
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 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.