

## **CHEMCRUX ENTERPRISES LIMITED**

### **Policy for Determination of Materiality of Events or Information**



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**Vadodara- 390 007**

**Website: [www.chemcrux.com](http://www.chemcrux.com)**

<b>Approved by</b>	Board of directors
<b>Date of approval</b>	13 <sup>th</sup> February 2024
<b>Version</b>	3

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**POLICY FOR DETERMINATION OF MATERIALITY**

**1. Preamble and Objective:**

This Policy has been formulated in accordance with the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), with respect to disclosure of material events and information by Chemcrux Enterprises Limited.

The objective of this Policy is to determine materiality of events or information of the Company and to ensure that such event(s) or information is adequately disseminated in accordance with provisions of this Regulations and to provide an overall governance framework for such determination of materiality.

This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”).

**2. Definitions:**

“**Act**” means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

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

“**Company**” means Chemcrux Enterprises Limited.

“**Policy**” means this policy for determining materiality of events and as may be amended from time to time.

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

“**Schedule**” means Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended or modified from time to time by Securities Exchange Board of India.

“**Key Managerial Personnel**” means Key Managerial Personnel or KMP as defined in sub-section (51) of section 2 of the Companies Act, 2013.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Subsidiary**” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

“**Promoter**” and “**Promoter Group**” shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations') or any other applicable law or regulation to the extent applicable to the Company.

**3. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) ("Para A Events") without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

**4. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:**

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the LODR Regulations ("Para B Events") subject to application of guidelines for materiality, as set out under the LODR Regulations.

**GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- a. 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- b. 2% (two per cent) of consolidated 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);  
or
- c. 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of Company, the event / information is considered material.

**Qualitative criteria would mean an event/ 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

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said omission came to light at a later date; or

- c. any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

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, as stated under Para C of Part A of Schedule III of the listing regulations, be disclosed within 24 Hours.

**5. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION & ITS TIMELY DISCLOSURE:**

The Company at times may be confronted with the question as to when an event/information can be said to have occurred for making disclosures under regulation 30 read with Schedule III of the LODR Regulations. In these cases, the events/ information can be categorized as under:

(a) depends upon the stage of discussion, negotiation or approval; and

(b) in case of natural calamities disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 5(a), the events/information can be said to have occurred upon receipt of approval of the Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval. Approvals other than final approvals, such as in-principle approvals, approval to explore, etc. will not require disclosure under this Policy.

In respect of the events under 5(b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

**6. AUTHORITY FOR THE PURPOSE OF DETERMINING MATERIALITY AND MAKING DISCLOSURES TO STOCK EXCHANGE:**

The Board of Directors have authorized one or more Key Managerial Personnel (jointly and/ or severally) i.e., Managing Director, Whole Time 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).

Contact Details of Authorised Person: The Authorised Persons can be contacted on the following mail id: [girishshah@chemcrux.com](mailto:girishshah@chemcrux.com) ; [companysec@chemcrux.com](mailto:companysec@chemcrux.com)

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**7. TIMELINES FOR DISCLOSURE:**

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

- a) 30 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;
- b) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulations, shall be made within such timelines. In case the disclosure is made after the timelines specified under the Listing Regulations, then, along with such disclosure, Company shall provide the explanation for the delay.

The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

The Company shall also provide specific and adequate reply to all queries raised by the stock exchanges with respect to any event/information. The Company may on its own initiative, confirm or deny any reported event or information to stock exchanges.

**8. DISCLOSURE OF THE POLICY:**

This Policy shall be disclosed on the website of the Company [www.chemcrux.com](http://www.chemcrux.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.

**9. LIMITATION & AMENDMENTS:**

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

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

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