



PRIVI SPECIALITY CHEMICALS LIMITED

(CIN: L15140MH1985PLC286828)

Regd Off: Privi House, A-71, TTC, Near Koparkhairane, Navi Mumbai - 400 710

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

**(Revised by the Board at its meeting held on Thursday,
February 02, 2023)**

- 1. Adopted by the Board at its meeting held on Thursday, November 05, 2020**
- 2. Revised version 1.1 adopted by the Board at its meeting held on Thursday, February 02, 2023.**

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

Introduction

PRIVI SPECIALITY CHEMICALS LIMITED ('the Company') is committed to be fair and transparent with an objective to ensure timely and adequate disclosure of material events and price sensitive information to all stakeholders.

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the listed entity shall promptly inform to the stock exchanges of all events which are material, and as per Regulation 30(4) every listed entity is required to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges. In view of above, the Policy on Determination of Materiality for Disclosures ("Policy") is being framed and implemented.

This Policy aims at:

- ensuring that all stakeholders have equal access to important information that may affect their investment decisions;
- ensuring that adequate and timely information is provided;
- avoiding establishment of false market in securities of the Company; and
- communicating the principles of materiality based on which the Company shall make disclosures of events or information.

Meanings of terms used Definitions

- a. "Act" means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time;
- b. "Board" refers to the Board of Directors of Privi Speciality Chemicals Limited;
- c. "Company" refers to Privi Speciality Chemicals Limited;
- d. "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e. "Material Events" means events of the nature as specified in Para B of Part A of Schedule III which are deemed to be material based on the application of this Policy;
- f. "Policy" means this Policy for Determination of Material Events
- g. "Schedule" means a schedule annexed to Listing Regulations;
- h. "Stock Exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; and
- i. "Subsidiary(s)" shall mean subsidiaries of the Company as defined under the Act. Words, terms and expressions used and not defined in these Listing Regulations will have the same meaning as contained in (i) the Act, (ii) Securities Exchange Board of India Act, 1992, as may be modified from time to time.

POLICY AND PROCEDURES

Materiality Thresholds:

- In terms of the Regulation 30 of the Listing Regulations, the Company is required to make disclosures of any event or information which, in the opinion of the Board of the Company, is

material. Further, the events specified in Para A of Part A of Schedule III are deemed to be material events and the Company is mandatorily required to make disclosure of such events. The Company is required to make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality as set out in this Policy.

- In this context, the following has been approved and adopted by the Board the Company, with the objective of determining materiality of events.
 1. The events specified in Para A of Part A of Schedule III of the Regulations and as set out in Annexure I to this Policy shall be disclosed by the Company as applicable from time-to-time and in a manner as set out in the Regulations and this Policy.
 2. For disclosing the events specified in Para B of Part A of Schedule III, the Company shall consider the following criteria for determination of materiality of 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 said omission came to light at a later date.
 - c. Where it would be difficult to report any event including events specified in Para B of Part A of Schedule III and as set out in Annexure I to this Policy, based on qualitative criteria as stated in points (a) and (b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below:
 - i. For events specified in Annexure I of this Policy, if the impact of the occurrence of such an event would exceed 5% of the gross standalone turnover of the Company, in the immediately preceding accounting year.
 - ii. For events specified in Annexure I of this Policy with respect to a Subsidiary of the Company, if the impact of the occurrence of such an event would exceed 5% of the gross consolidated turnover of the Company, in the immediately preceding accounting year.
 - d. in case where the criteria specified in sub-clauses a to c are not applicable, an event/information may be treated as being material if in the opinion of the Board and/or the Managing Director and the CFO of the Company, the event/information is considered material.
 - e. Following shall be the additional considerations in determining the materiality thresholds as stated above:
 - materiality to be assessed at the level of each individual disclosure requirement and, where relevant, on an aggregate basis; and
 - additional considerations to be taken into account by the Company when they are considered as plausible and objectively reasonable.
 3. As specified in Para C of Part A of Schedule III of the Regulations, the Company shall promptly disclose any other information/event viz., major development that is likely to

affect business, e.g. emergence of new technologies, any change of accounting policy that may have a significant impact on the financial statements of the Company 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.

Guidance on timing of an Event / Information:

At times, the Company may be confronted by a question as to when an event/information can be said to have occurred.

In certain instances, the answer to the question would depend on the stage of the discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the question would depend upon the timing when the Company became aware of the event / information.

In the former, the event / information (based on facts and circumstances) can probably be said to have occurred upon receipt of approval of the Board of Directors.

However, considering the price sensitivity involved, for certain events, e.g. decision on declaration of dividend etc., disclosure shall be made on receipt of approval of the event by the Board of Directors pending shareholder's approval.

In the latter, 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 Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Disclosure(s) as required under the Listing Regulations will be made within 30 minutes of the conclusion of the Board Meeting or within 24 hours from the time the event occurred or the officer(s) becomes aware of the event or information, as applicable.

Obligation of Internal Stakeholders for Disclosure of Events / Information:

- Any event required to be reported under Regulation 30 of the Regulations shall be informed by the Department Heads to the Managing Director or Chief Financial Officer ("Key Managerial Personnel") of the Company on an immediate basis with adequate supporting data or information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer.
- The Key Managerial Personnel of the Company shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.

Powers & duties of the Authorised Person(s)

1. To review the event / information reported and take necessary steps to verify its accuracy.
2. To assess the materiality of the event / information in consultation with the Managing Director , Chief Financial Officer and Company Secretary

3. To assess the actual time of occurrence of an event or information.
4. To determine the appropriate time at which the disclosure is to be made to the Stock Exchanges.
5. To disclose developments that are material in nature on a regular basis, till such time the event is resolved / closed, with relevant explanations.
6. To provide specific and adequate reply in consultation with the Managing Director and Chief Financial Officer, to all the queries raised by the Stock Exchanges with respect to any event or information.
7. To confirm or deny any reported event or information to Stock Exchanges.
8. To administer, enforce and update the Policy.

The contact details of the persons authorised to determine materiality of events under this Policy are as follows:

Mr. Mahesh P Babani- CMD
Privi Speciality Chemicals Limited
Privi House, A-71, TTC
Near Koparkhairne Railway Station
Navi Mumbai - 400709

Mr. Narayan Iyer – CFO
Privi Speciality Chemicals Limited
Privi House, A-71, TTC
Near Koparkhairne Railway Station
Navi Mumbai - 400709

- The Authorised Persons of the Company and the Company Secretary shall severally be responsible and authorised for dissemination of such events and information in accordance with provisions of the Regulations or any other law as may be applicable.
- The Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than 24 hours from the occurrence of such event, including their updates, if any, in accordance with the provisions of the Regulations, as may be amended from time to time. In the event the Company fails to make the disclosure within the said period, the Company shall also provide an explanation for such delay.
- The disclosures made under the Regulations shall be hosted on the website of the Company (www.privi.com) and simultaneously communicated to the Stock Exchanges in the permitted mode. All disclosures shall be available on the website of the Company for a period of 5 years.
- The Company shall disclose all events or information with respect to subsidiaries which are material to the Company.

Amendments to the Policy

The Company is committed to continuously reviewing and updating its policies and procedures.

Any amendment of any provision of this policy must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment.

If there is any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

ANNEXURE I

Part A : Events specified in para of part A of Schedule III of SEBI (LODR) Regulations 2015

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

1. 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.
2. 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.
 3. Revision in Rating(s).
 4. 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:
 - a) 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;
 - b) any cancellation of dividend with reasons thereof;
 - c) the decision on buyback of securities;
 - d) the decision with respect to fund raising proposed to be undertaken
 - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - f) 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;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) 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
 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 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.

6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 - 7A. In case of resignation of 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 stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the Auditor.
 - 7B. In case of resignation of Independent Director including reason of resignation, the following disclosures shall be made by the Company to the Stock Exchange(s) within seven days from the date of resignation:
 - i. The letter of resignation along with detailed reason for resignation of Independent Directors as given by the said Director shall be disclosed by the listed entities to the Stock Exchanges.
 - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
 - 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 Independent Director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
8. Appointment or discontinuation of share transfer agent.
9. 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.
10. One time settlement 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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. a) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

Explanations: 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:

16. The following events in relation to Corporate Insolvency resolution process (CIRP) of a listed Corporate debtor under the Insolvency Code :

- a. Filing of the application by the Corporate Applicant for initiation of CIRP, also specifying the amount of default;
- b. Filing of application by Financial Creditors for initiation of CIRP against the Corporate Debtor, also specifying the amount of default;
- c. Admission of Application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d. Public announcement made pursuant to order passed by the Tribunal under Section 13 of Insolvency Code;
- e. 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;
- f. Appointment/ Replacement of the Resolution Professional;
- g. Prior or post-facto intimation of the meetings of Committee of Creditors;
- h. 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;
- i. Number of resolution plans received by Resolution Professional;
- j. Filing of resolution plan with the Tribunal;
- k. Approval of resolution plan by the Tribunal or rejection, if applicable;
- l. Salient features and details of 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 investors – 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
- m. Any other material information not involving commercial secrets.
- n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS.
- o. Quarterly disclosure of the status of achieving the MPS.
- p. The details as to the delisting plans, if any approved in the resolution plan.

17. 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.

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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 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).
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) and revision(s) or amendment(s) or termination(s) thereof.
6. 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.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

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 be necessary 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.

D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.