



**SUPREME PETROCHEM LTD**

**POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

**(Operative w.e.f. October 27, 2023)**

## 1. OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) as amended.

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

### EFFECTIVE DATE

This Policy is effective from the date of approval by the Board of Directors of the Company.

## 2. DEFINITION

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of Supreme Petrochem Ltd, as constituted from time to time.

“**Company**” means Supreme Petrochem Ltd.

“**Key Managerial Personnel**” mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

“**Listing Regulations**” shall mean an agreement entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015 as amended.

“**Material Event**” or “**Material Information**” shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

**“Material Subsidiary”** shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Listing Regulations.

**“Policy”** means this Policy on criteria for determining Materiality of events or information 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 a Schedule III of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Regulations or any other applicable law or regulation to the extent applicable to the Company.

### **3. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

The events / information of the Company shall be considered as Material for disclosure purpose if it meets any of the following criteria and belongs to the category of Unpublished Price Sensitive Information (viz. materiality criteria).

- (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 of Company which is likely to result in significant market reaction if the said omission came to light at a later date; or
- (c) The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:-
  - (1) Two percent of turnover, as per the last audited consolidated financial statement of the Company;
  - (2) Two percent of networth, as per the last audited consolidated financial statement of the Company, except in case the arithmetic value of the net worth is negative;
  - (3) Five percent of the average of absolute value of profit or loss after tax (viz. to consider the respective value discrepancy the sign of positive or negative) as per the last three audited consolidated financial statements of the Company.

- (d) 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 of the Company the event or information is considered material.

#### **4. DISCLOSURES OF EVENTS OR INFORMATION**

- (a) All the events specified in Part A and Para A of Schedule III (as amended from time to time) will be considered as specific events and the disclosure whereof will be mandatorily done by Company without applying any material criteria as specified by SEBI, within the time frame specified under Regulation 30(4) of Listing Regulations as annexed vide **ANNEXURE 'A'** and the Company, in case of triggering any of the such event(s) shall:-
  - i. inform the stock exchanges in which the securities of the Company are listed the requisite details of the event:
  - ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after a mandated time limit of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

- (b) The Company shall make disclosure of events as specified in **ANNEXURE 'B'** as annexed hereto, based on application of Materiality Criteria as per clause 3 of this Policy mentioned hereinbefore.
- (c) Company shall also make disclosure for 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.
- (d) Without prejudice to the generality of para (a), (b) and (c) above, the Company may make disclosures of event/information as specified by the Board from time to time.

- (e) The Company shall make disclosures updating Material developments on a regular basis, till such a time the event is resolved/closed, with relevant explanation/details.
- (f) The Company shall disclose all events or information with respect to its Material Subsidiaries, if any.
- (h) The Company shall provide a specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny or clarify any event or information about Company circulating amongst the investing public which indicates rumors of impending specific material events or information as soon as possible but not later than 24 hours from the reporting of the event/information to stock exchange(s) reported in the media.
- (i) In case 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 within requisite timelines, as may be applicable.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

#### **(5) AUTHORITY TO KEY MANAGERIAL PERSONNEL**

Shri N Gopal, Manager, Shri Rakesh Nayyar, Chief Financial Officer and Shri D N Mishra, Company Secretary of the Company shall severally have the authority to determine Materiality of any event or information and ensure that disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

Contact details:

#### **Shri N Gopal**

Supreme Petrochem Ltd

Solitaire Corporate Park, Building No.11,5<sup>th</sup> Floor

167, Guru Hargovindji Marg, Chakala,

Andheri East, Mumbai – 400 093

Email :n\_gopal@spl.co.in

Phone : 022-67091900

**Shri Rakesh Nayyar**

Supreme Petrochem Ltd  
Solitaire Corporate Park, Building No.11,5<sup>th</sup> Floor  
167, Guru Hargovindji Marg, Chakala,  
Andheri East, Mumbai – 400 093  
Email :rakesh\_nayyar@spl.co.in  
Phone : 022-67091900

**Shri D N Mishra**

Supreme Petrochem Ltd  
Solitaire Corporate Park, Building No.11,5<sup>th</sup> Floor  
167, Guru Hargovindji Marg,  
Chakala, Andheri East  
Mumbai – 400 093  
Email :dn\_mishra@spl.co.in  
Phone : 022-67091900

**6. AMENDMENTS**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law including Listing Regulations for the time being in force.

**7. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations; Companies Act, 2013; Regulations thereto or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

**8. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company and address of such weblink thereto may be provided in the Annual Report of the Company.

## ANNEXURE 'A'

**Events which shall be disclosed without any application of the guidelines for materiality (for detailed events – please refer Regulation 30 and Sch III of Listing Regulations) provisions as amended from time to time**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), sale or disposal of any unit(s), division(s) whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in the associate company of the Company or any other restructuring;
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. New Rating(s) or revision in credit rating(s);
4. Outcome of Meetings of the Board of Directors: The Company 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 Company 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;
  
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements: Provided that such agreements entered into by a Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these Regulations.  

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that Company shall or shall not act in a particular manner.
  
6. Fraud/defaults by Promoter, director, Key Managerial Personnel, senior management or subsidiary or arrest of Key Managerial Personnel, senior management, promoter or director whether occurred within India or abroad.
  
7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, etc.), Senior Management, Auditor and Compliance Officer;
  
- 7A In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor.
  
- 7B Resignation of [independent director] including reasons for resignation: In case of resignation of an independent director of the Company.



- 7C In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation alongwith detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Company.
- 7D In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s)
8. Appointment or discontinuation of share transfer agent;
  9. Resolution plan/restructuring in relation to loans/borrowings from banks/financial institutions.
  10. One-time settlement with a bank;
  11. Winding up petition filed by any party / creditors
  12. Issuance of notices, call letters, resolution 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 of the Company.
  14. Amendment to memorandum and articles of association of the Company, in brief.
  15.
    - (a) Schedule of analysts or institutional investors meet and presentation made by the Company to analysts or institutional investors
    - (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
      - (ii) the transcript of such call shall be made available on the website.
  16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the insolvency code.

17. Initiation of forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosure shall be made to the stock exchanges by Company for (a) the fact initiation of forensic audit alongwith 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 Company alongwith comments of the Management, if any.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company in relation to any event or information which is material for the Company in terms of Regulation 30 of these regulations and is not already made available in the public domain by the Company.
19. Action(s) initiated or orders passed by any Regulatory, Statutory, Enforcement Authority or Judicial Body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or Subsidiary, in relation to the Company, in respect of the following:
  - (a) search or seizure; or
  - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;
20. Action(s) taken or orders passed by any Regulatory, Statutory, Enforcement Authority or Judicial Body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or Subsidiary, in relation to the Company, in respect of the following:
  - (a) suspension;
  - (b) imposition of fine or penalty;
  - (c) settlement of proceedings;
  - (d) debarment;
  - (e) disqualification;
  - (f) closure of operations;
  - (g) sanctions imposed;
  - (h) warning or caution; or
  - (i) any other similar action(s) by whatever name called;
21. Voluntary revision of financial statements or the report of the board of directors of the Company under section 131 of the Companies Act, 2013

## **ANNEXURE 'B'**

### **Events which shall be disclosed upon application of the guidelines for materiality (for detailed events – please refer Regulation 30 and Sch III of Listing Regulations) provisions as amended from time to time**

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 Company 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 Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of 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;

12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

**For SUPREME PETROCHEM LTD**

**For SUPREME PETROCHEM LTD**

**DIRECTOR**

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