

SUMITOMO CHEMICAL INDIA LIMITED

POLICY FOR DERTMINING MATERIALITY OF EVENTS AND INFORMATION

DISCLOSURE REQUIREMENTS UNDER THE LISTING REGULATIONS:

Regulation 30 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) mandates that every listed entity shall make disclosure of material events or information to the Stock Exchanges on which it is listed.

Regulation 30 (8) of the LODR requires every listed company to also disclose on its website all the events and information which are disclosed to the Stock Exchanges in accordance with the Regulation 30 of the Listing Regulations.

LODR divide the events/information that need to be disclosed broadly into two categories.

The first category of events/information relates to those events/information that are deemed material under LODR and have to be mandatorily disclosed without applying any test of materiality. These are listed in Para A of Part A of Schedule III to LODR read with Regulation 30(2).

The second category of events/information relates to those specified in Para B of Part A of Schedule III to LODR. These events/information are considered material based on application of the guidelines for materiality. They would require disclosure if found material by applying the said guidelines.

Regulation 30(4) of LODR provides that the listed entity shall consider the following criteria to determine materiality of events/information:

- omission of an event/information likely to result in discontinuity or alteration of an event/information available in public domain
- omission of an event/information likely to result in significant market reaction in case it comes to light at a later date
- omission of an event/information whose value / expected impact in value terms exceeds the specified amount
- event/information, which in the opinion of the board of directors of the listed entity is material, where any of the above three criteria is not applicable



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Regulation 30(4)(ii) of LODR requires Board of Directors every listed company to frame a policy for determining materiality of the events and information based on criteria specified in Regulation 30(4).

The Company's Board of Directors had approved Policy for determining materiality of events and information at its meeting held on 31st August, 2019.

The Company's Board of Directors has approved this revised Policy at its meeting held on 31st July, 2023 with a view to replace the existing Policy in order to conform with the requirements of the LODR as amended..

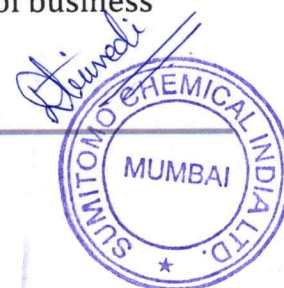
OBJECTIVE:

The objective of this Policy is to lay down criteria for determining materiality of events and information set out in Para B of Part A of SCHEDULE III to LODR.

The objective of this Policy is also to assist the Company's officials in identifying potential material events and information for communicating the same to the authorized KMPs to ascertain materiality of such events/information for disclosure to the Stock Exchanges.

EVENTS TO BE DISCLOSED IF CONSIDERED MATERIAL BY BOARD OF DIRECTORS OR DESIGNATED KEY MANAGERIAL PERSONNEL (PARA B and C OF PART A OF SCHEDULE III):

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division
2. (a) arrangements for strategic, technical, manufacturing, or marketing tie-up
(b) adoption of new lines of business (c) 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



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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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company
9. Fraud/defaults by employees of the Company which has or may have an impact on the Company
10. Options to purchase securities including any ESOP/ESPS Scheme
11. Giving of guarantees or indemnity or becoming a surety (by whatever name called) for any third party
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals
13. Delay or default in payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority
14. 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 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



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The list of events enumerated hereinabove shall stand modified to the extent and from the operative date as SEBI may modify the Para B of Part A of Schedule III to LODR or any other relevant provisions of LODR.

CRITERIA FOR DETERMINING MATERIALITY:

The Company shall make disclosure of events indicated in Para B of Part A of Schedule III and other events not indicated in Schedule III, if following criteria of determining materiality of events/ information apply to them:

- (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) 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 Company;
 - (ii) two percent of net worth as per the last audited consolidated financial statements of the Company;
 - (iii) five percent of average amount of profit or loss after tax as per the last three audited consolidated financial statements of the Company
- (d) any other events or information which is not covered in the above criteria but is material in the opinion of the board of directors or Designated Key Managerial Personnel.

DESIGNATED KEY MANAGERIAL PERSONNEL

The Board of Directors designates the Managing Director, in his absence the Executive Director and in their absence the Whole-time Director to be the Designated KMPs authorizing them to determine materiality of an event or information for the purpose of making disclosure to the Stock Exchanges under this Policy framework. The Designated KMPs shall consult the CFO and the Company



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Secretary and such other senior employees and consultants / advisors as they may deem fit while determining materiality of events / information.

The contact details of the Managing Director, the Executive Director and the Whole-time Director are as follows:

1. Mr. Chetan Shah, Managing Director
Tel: Board 022 42522200
Direct 022 42522261
E mail: chetan.shah@sumichem.co.in
2. Mr. Sushil Marfatia, Executive Director
Tel: Board 022 42522200
Direct 022 42522260
E mail: scmarfatia@sumichem.co.in
3. Dr. Suresh Ramachandran, Whole-time Director
Tel: Board 022 42522200
Direct 022 42522272
E mail: suresh.ramachandran@sumichem.co.in

ARCHIVING OF EVENTS AND INFORMATION

As required by Regulations 30 (8) of Listing Regulations, all material events / information disclosed on the Company's website shall remain hosted on the Company's website for a minimum period of 5 years and thereafter shall be archived for retrieval for a period of 3 years after the same has been archived.

