NATIONAL PEROXIDE LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

[In terms of Regulation 30(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

[Effective from December 1, 2015]

(Amended on August 8, 2023)

1. BACKGROUND

National Peroxide Limited ("the Company") is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner. The Company's securities are listed on the BSE Limited (BSE). The Company will comply with the continuous disclosure obligations as mandated by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations) that come into effect from December 1, 2015 and as amended from time to time.

The Policy on Determination of Materiality of events or information that warrant disclosure to investors has been framed in compliance with the requirements of the Listing Regulations.

2. DEFINITIONS

In this Policy, unless the context otherwise requires:

a) "Key Managerial Personnel" mean key managerial personnel as defined in sub-section (51) of the section 2 of the Companies Act, 2013
b) "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.
c) "Subsidiary" means a subsidiary as defined under Section 2(87) of the Companies Act, 2013;

The words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992; Companies Act, 2013; the Securities Contracts (Regulation) Act, 1956; the Depositories Act, 1996 and other applicable Laws, and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. OBJECTIVE OF THE POLICY

The objectives of this Policy are as follows:

a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations (In India or Overseas).
b. To ensure that the information disclosed by the Company is timely and transparent.
c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

4. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information. The same shall be considered as Material, if it meets the following 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 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:

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, except in case the arithmetic value of the net worth is negative;
iii. five percent of the average of absolute value of profit or loss after tax 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.

5. DISCLOSURES OF EVENTS OR INFORMATION

a. Events specified in Para A of part A of Schedule III of the Listing Regulations shall be deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and in any case not later than timeline prescribed in the Listing Regulations. **(Annexure A).**

b. The Company shall make disclosure of events specified in Para B of part A of Schedule III of the Listing Regulations, based on application of Guidelines for materiality, as specified in this Policy (**Annexure B).**

c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

d. The Company shall disclose all events or information with respect to its Material Subsidiaries.

e. The Company shall provide specific and adequate reply to all queries raised by stock exchange with respect to any events or information. Further, on its own initiatives may confirm, deny or clarify any event or information to stock

exchange reported in the mainstream media which is not general in nature and indicates that rumours of an impending specific material event or information that are circulating amongst the investing public and in case of confirmation will also provide the current stage of such event or information.

f. In case where 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.

6. AUTHORITY TO KEY MANAGERIAL PERSONNEL / OBLIGATIONS OF INTERNAL STAKEHOLDERS

The Managing Director, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary (Authorized Persons / KMP's) have been authorized to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorized Persons / KMP's are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the Listing Regulations shall be forthwith informed to the Authorised Person/KMPs upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the Stock Exchange.

The Authorized Persons / KMP's will then ascertain the materiality of such event(s) or information based on the above guidelines. On completion of the assessment, the Authorized Persons shall make appropriate disclosure(s) to the Stock Exchange.

7. POLICY REVIEW

The Authorized Persons may review the Policy from time to time. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

8. EFFECTIVE DATE

The Policy as approved by the Board of Directors and as amended from time to time has been in effect since December 1, 2015.

9. WEBSITE

The Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company.

10. CONTACT DETAILS

Questions or clarifications about the policy or disclosures made by the Company should be referred to the Company Secretary, who is in charge of administering, enforcing and updating this policy.

The Company Secretary & Compliance Officer
National Peroxide Limited
Neville House, J.N. Heredia Marg,
Ballard Estate, Mumbai – 400 001
Phone: 022-61010515
Email: secretarial@naperol.com

Annexure A

Events which shall be disclosed without any application of the guidelines for Materiality:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or 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 associate company of the Company or any other restructuring;

   Explanation (1) - 'Acquisition' shall mean, -

   (i) acquiring control, whether directly or indirectly; or,
   (ii) acquiring or agreement to acquire shares or voting rights in, a company, whether existing or to be incorporated, whether directly or indirectly, such that -

   (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.
   (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of Regulation 30 of Listing Regulations.

   Explanation (2) - For the purpose of this sub-paragraph, "sale or disposal of subsidiary" and "sale of stake in associate company" shall include-

   i. an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or

   ii. an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub clause (c) of clause (i) of sub-regulation (4) of regulation 30.

   Explanation (3) - For the purpose of this sub-paragraph, "undertaking" and "substantially the whole of the undertaking" shall have the same meaning as given under section 180 of the Companies Act, 2013.

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, 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.

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 Listing 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 or defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

(i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.

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, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

7B Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

(i) The letter of resignation along with Detailed reasons for the resignation as given by the said director.

(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 the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures detailed reasons as specified in sub-clause (i) and (ii) above.

7C In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with 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 within seven days from the date that such resignation comes into effect.

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 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. 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 of the Company;

14. Amendments to memorandum and articles of association of Company, in brief;

15.

   a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors."

      Explanation: 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 the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

a) Filing of 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) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;

l) Specific features and details of the 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 investor – revised P/E, RONW ratios etc.;

(ix) Names of the new promoters, key managerial personnel, 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) Approval of resolution plan by the Tribunal or rejection, if applicable;

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 the Company:

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 Company along with 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 a Company, in relation to any event or information which is material for the Company in terms of Regulation 30 of Listing Regulations and is not already made available in the public domain by the Company.

Explanation – "social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

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; along with the following details pertaining to the actions(s) initiated, taken or orders passed:

i. name of the authority;

ii. nature and details of the action(s) taken, initiated or order(s) passed;

iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;

iv. details of the violation(s)/contravention(s) committed or alleged to be committed;

v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

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;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

i. name of the authority;
ii. nature and details of the action(s) taken, initiated or order(s) passed;
iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

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:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;

2. Any of the following events pertaining to the Company:

   a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
   b) adoption of new line(s) of business; or
   c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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) / dispute(s) / regulatory action(s) or the outcome thereof which may have impact on the Company;

9. Fraud/defaults etc. by the 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 the 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 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.