

ARCHEAN CHEMICAL INDUSTRIES LIMITED

POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

Effective Date	February 3, 2024
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POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

Preamble

Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), mandates a listing entity to frame a policy for determination of materiality, based on criteria specified therein and the policy needs to be approved by the Board. The policy is also required to be hosted in the website of the company. The determination of materiality is for the purpose of determining the events and information which are material and Price sensitive for the purpose of making disclosure to the Stock Exchanges.

Criteria for determination of materiality

The Company shall consider the following criteria for determination of materiality of events/information which is subject to the Quantitative factor mentioned below:

(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:

(1) two percent of turnover, as per the last audited consolidated financial statements of the Company;

(2) 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;

(3) 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 (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.

(e) 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.

Disclosure of Events or Information

The Company shall make disclosures of any events or information which in the opinion of the board of directors is material or required under the Listing Regulations.

The Company will also disclose to the Stock Exchanges, with respect of its Subsidiaries, events and information which are material for the Company.

The Listing Regulations have divided the events that needs to be disclosed as follows:

Category 1: Events have to be necessarily disclosed without applying any test of materiality.

Events specified in Annexure A (i.e., 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 timelines prescribed in the Listing Regulations without any applications of the guidelines for materiality.

Category 2: Events should be disclosed, upon application of the guidelines for materiality as stated above.

These events are indicated in Para B of Part A of Schedule III of the Listing Regulations.

Events specified in Annexure B (i.e., Para B of Part A of Schedule III of the SEBI Listing Regulations) shall be considered material upon application of guidelines of materiality as specified in this policy. The Company shall make disclosure of such events or information as soon as reasonably possible and in any case not later than timelines prescribed in the Listing Regulations.

Category 3:

Any other information or event viz. major development that is likely to affect the business and brief details thereof and any other information exclusively known to the Company which may be necessary to enable the securities holders of the Company to appraise its position and to avoid establishment of a false market in such securities.

Category 4:

Without prejudice to the generality of category (1), (2) and (3) above, any other event or information as may be specified by the SEBI from time to time.

If the Company is not in a position to inform the stock exchange within the above-mentioned time limit, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

Person(s) Responsible for Disclosure

The Board of Directors of the Company has authorised Company Secretary / Chief Financial Officer (Authorised Person) in consultation with the Managing Director to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorised Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as he/she may deem fit. Managing Director shall be the authority entitled to take a view on the materiality of an event that qualifies for disclosure and the Key Managerial Personnel (KMP) shall disclose the said information to the Stock Exchange.

Subsidiaries

The events or information of the Subsidiary Company (if any) which are considered material for the holding Company, shall be disclosed in the manner as specified above.

Policy Review and Amendments

The Authorized Person may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail. Any amendments to the Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.