

**POLICY ON DETERMINATION OF MATERIALITY OF EVENTS
FOR “SHELTER PHARMA LIMITED”**

*Under Regulation 30 (4) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015
Read with the schedule III of the said Regulations*

1. PREAMBLE:

The Board of Directors (the "Board") of Shelter Pharma Limited (the "Company"), has adopted this policy and procedure with regards to Determination of Materiality as defined below. The Board shall review and may amend this policy from time to time.

2. INTRODUCTION:

News or details that may reasonably be expected to affect a Company's stock price and thus decisions that investors make about buying or selling the Company's stock. Material events may be the addition or loss of a large customer, falling or rising sales, a merger or amalgamation, financial results above or below expectations, or a change in the Company's dividend policy. In order to enable investors to make well informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. There is a need of uniformity in disclosures to ensure compliance in letter and spirit.

3. DEFINITIONS:

- i. **“Audit Committee or Committee”** means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations, 2015 and the Companies Act, 2013, from time to time.
- ii. **“Board of Directors”** or **“Board”** means the Board of Directors of Shelter Pharma Limited, as constituted from time to time.
- iii. **“Company”** means Shelter Pharma Limited
- iv. **“Compliance Officer”** means the officer appointed by the Board of Directors of the Company as for the purpose of this regulation from time to time.
- v. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- vi. **“Independent Director”** means an Independent Director referred to in section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.
- vii. **“Management”** means the Senior Management and Key Managerial Personnel of Shelter Pharma Limited
- viii. **“Material Event”** reasonably be expected to affect a Company's stock price.

Shelter Pharma Limited

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CIN: U24233GJ2007PLC051956

- ix. **“Material Unlisted Indian Subsidiary”** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% of its consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.
- x. **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS, THE COMPANY SHALL MAKE DISCLOSURE OF SUCH EVENTS:

The Company shall disclose all such material events which are specified in Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The following shall be events upon occurrence of which Company shall make disclosure to Stock Exchange without any application of the guidelines for materiality as specified in sub -regulation (2) of regulation (30):

- i. 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 Company or any other restructuring.
- ii. 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.
- iii. Revision in Rating(s).
- iv. Outcome of Meetings of the board of directors. The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the Board 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).

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- v. 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.
- vi. Fraud / defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
- vii. Change in directors, key managerial personnel (Managing Director, Chief Financial Officer, Company Secretary, etc.), Auditor and Compliance Officer.
- viii. Appointment or discontinuation of share transfer agent.
- ix. Corporate debt restructuring.
- x. One-time settlement with a bank.
- xi. Reference to BIFR and winding - up petition filed by any party /creditors.
- xii. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, or creditors or any class of them or advertised in the media by the listed entity.
- xiii. Proceedings of Annual and extraordinary general meetings of the Company.
- xiv. Amendments to memorandum and articles of association of listed entity, in brief.
- xv. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES; THE COMPANY SHALL MAKE DISCLOSURE OF SUCH EVENTS:

The Company shall disclose all such material events specified in Para B of Part A of Schedule III of the LODR Regulation subject to application of guidelines for materiality.

The Following shall be events upon occurrence of which Company shall make disclosure to Stock Exchange subject to application of the guidelines for materiality as specified in sub-regulation (3) of regulation (30):

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

Materiality: Commencement or postponement of commercial production directly influences share price of the Company. Therefore, the event shall be considered as material event, if the turnover from such proposed business is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

II. 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):

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Materiality: 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 may affect Company's share price directly or indirectly and omission of the events or information is likely to result in significant market reaction. Therefore, the event shall be considered as material event, if the turnover from such new changed business is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

III. Capacity addition or product launch:

Materiality: Increasing capacity of existing plant or unit of the Company and launching any new product automatically increases the goodwill of the Company and helps to improve brand building, therefore, the event shall be considered as material event, if the turnover from such proposed business is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

IV. Awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business:

Materiality: Getting contracts are under the normal course of business but if the Company gets any extraordinary order; it shall be considered a material event, if the turnover from each such order or contract is exceeding 10% of the total turnover in the preceding financial year's audited financial results.

Further, an award bestowed upon the Company or any of its directors or KMP by a nationally recognized institution of the Government Agency shall be considered as a material event.

V. 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.:

Materiality: Disruption of operations in the unit of the Company due to natural calamity, force majeure or strikes, lockouts, etc. exceeding 3 working days shall be considered material event in all cases Company.

VI. Effect(s) arising out of change in the regulatory framework applicable to the listed entity:

Materiality: Due to change in regulatory frame work applicable to Company as compliance requirement is not required to disclose to the stock exchange.

VII. Litigation(s) / dispute(s) / regulatory action(s) with impact:

Materiality: Only material litigation / dispute and regulatory action is to be disclosed which have material impact of the Company' financial position exceeding 5% of the Profit after Tax or Rs.10 Lakhs or more in each case whichever is higher.

The test of material impact shall be decided by Board of Directors.

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VIII. Fraud / defaults etc. by directors (other than key managerial personnel) or employees of listed entity:

Materiality: The Company shall not disclose any fraud / defaults made by directors or employees of the Company, until the final binding order is not received by regulatory authority. After receiving final order, The Board shall decide the order should be disclosed or not. However, in case if any FIR is filed in the Police Station which are not bailable and or pending under the court having jurisdiction in the Indian Penal Court will be considered as material event.

IX. Options to purchase securities including any ESOP/ESPS Scheme:

Materiality: The Company shall promptly disclose without applying any materiality.

X. Giving of guarantees or indemnity or becoming a surety for any third party:

Materiality: Giving of guarantees or indemnity or becoming a surety for any third party is the Company's normal course of business. As Company's product is capital goods and to fulfil or perform the duty, Company has to give guarantees or surety to third party and it is Company's normal course of Business for the guarantee value exceeding Rs. 5.00 Crores or 5% of the net owned funds as per previous audited financial statements shall be considered as material event.

XI. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals:

Materiality: The Board of Directors of the Company shall decide which licenses are key licenses and the same shall be disclosed to Stock exchange.

6. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY:

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.

7. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE:

The KMPs of the Company are authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange.

8. TIME LIMIT FOR DISCLOSURES OF EVENT OR INFORMATION TO THE STOCK EXCHANGE:

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The Company shall disclose to stock exchange all events, as specified in Part A of Schedule III of the SEBI (LODR) Regulation, 2015, or information **within twenty-four hours from the occurrence of event or information.**

In case the disclosure is made after twenty-four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

Disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 shall be made within thirty minutes of the conclusion of the board meeting.

9. DISCLOSURES ON COMPANY'S WEBSITE AND DISCLOSURES PRESERVATION PERIOD

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange under this policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Documents Preservation Policy of the Company, as disclosed on its website.

10. REVIEW OF THE POLICY

The Board of directors of the Company shall review the policy on an annual basis. The authorized person shall provide regular assurance to board of directors on the effectiveness of the Policy.

Note: The above said policy was approved by the Board of Directors at their meeting held on February 27, 2023 and shall become applicable w.e.f. the date of listing of shares at the Stock Exchange.

SD/-

Mustaqim Nisar Ahmed Sabugar

Director

DIN : 0145684