



# INDOCO REMEDIES LIMITED

## POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS

*(Amended and Reinstated)*



## **I. PREAMBLE**

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Regulations”) mandates disclosure of any events or information which, in the opinion of the Board of Directors of the Company (the “Board”), is material. Regulation 30(4) of the Regulations requires the Company to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein. Accordingly, Indoco Remedies Limited (the “Company”) has formulated this policy (“Policy”) in relation to determination of materiality of events or information for disclosure.

## **II. SCOPE**

This Policy for Determination of Materiality of Events and Information is aimed at providing guidelines to the management of the Company to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s).

These events have been specified in Para A of Part A of Schedule III of the Regulations and shall be disclosed as applicable from time-to-time.

For disclosure of certain events as specified in Para B and Para C of Part A of Schedule III to the Stock Exchanges, the Company shall consider the criteria(s) 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;
- 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 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.

Where it would be difficult to report the events based on qualitative and quantitative criteria as stated above, the same may be considered material for disclosure, upon meeting other criteria at the discretion of Managing Director/ Joint Managing Director or Key Managerial Personnel, authorized by the Board.

This Policy shall also apply to the events to which neither Para A or Para B or Para C of Part A of Schedule III applies but have a material effect on the Company.

### **III. PURPOSE**

The purpose of the policy is to facilitate the following:

1. To define the materiality threshold for disclosure of events and information specified in Para B and Para C of part A of Schedule III of the Regulations and help in identification of events and information for disclosure to the stock exchange(s);
2. To make required disclosures within the stipulated time of actual occurrence of an event or information, after ascertaining facts;
3. To define events that are not specified in Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but shall have a material effect on the operations of the Company;
4. To identify such information/events, which is material, in the opinion of the Board;



#### **IV. DEFINITION**

1. **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
2. **“Board of Directors”** or **“Board”** means Board of the Directors of the Company.
3. **“Key Managerial Personnel”** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
4. **“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 this Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.
5. **“Officer”** means any director, manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors are accustomed to act and shall also include promoter of the Company.
6. **“Policy”** means this Policy on Determination of Materiality of events and information and as may be amended from time to time.
7. **“Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
8. **“Schedule”** means a Schedule III of (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 Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.



## **V. AUTHORIZATION FOR DISCLOSURES**

The following Key Managerial Personnel (“KMP”) of the Company are authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges. The KMP’s may also seek external legal advice in case of any ambiguity/clarification:

1. Managing Director
2. Joint Managing Director
3. Chief Financial Officer
4. Company Secretary and Compliance Officer;

Anyone of the aforementioned KMP shall be severally responsible for making disclosures to the Stock Exchanges. The contact details of the KMP shall be made available to the Stock Exchanges and shall also be available on the website of the Company.

## **VI. DISCLOSURES OF EVENTS AND INFORMATION**

Event and Information specified in Part A of Schedule III shall be disclosed to the Stock Exchange by the Company within the timelines specified in the Regulations. In case of the disclosure is made after timelines specified under Regulations, the Company shall along with the disclosures provide an explanation for delay of the same.

The timing of occurrence of an event and/or availability of information has to be decided on a case to case basis. In some cases, there may be ambiguity as to when an event/information can be said to have occurred. In certain cases, it would depend upon the stage of discussion, negotiation or approval. The events/ information can be said to have occurred upon receipt of approval of Board of Directors and/or Shareholders or actual signing of the agreement after receiving the above said approvals.

In cases where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.



The events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

The disclosure of events/information of price sensitive nature (such as decision on declaration of dividend) shall be made on receipt of approval of the event by the Board of Directors pending the shareholder's approval.

The Company shall ensure that the updated disclosure with respect to the material event / information is made to the stock exchanges on a regular basis till such time the event / information is resolved / closed, with relevant explanation.

The Company shall also disclose all such events or information with respect to subsidiaries which are material for the Company.

In case an event or information is required to be disclosed by the Company in terms of the provisions of the Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

All the shareholders, promoters, promoter group entities, related parties, directors, Key Managerial Personnel and employees of the Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these Regulations, shall inform the Company about the agreement to which Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.

## **VII. DISCLOSURE PROCESS**

1. Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Key Managerial Person authorised by the Board, as defined above, on an immediate basis with supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation of KMPs.



2. The KMP authorised by the Board, shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy
3. After evaluation, any one of the KMPs as defined above shall make disclosure to the Stock Exchanges.
4. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.

## **VIII. DISCLOSURE**

This Policy shall be disclosed on the website of the Company i.e. [www.indoco.com](http://www.indoco.com). The Company shall also disclose on its website all such events or information which has been disclosed to the relevant 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 archival policy of the Company.

## **IX. MODIFICATION OF THE POLICY**

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of any subsequent amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail. This Policy shall be subject to review, if necessary. Any change/amendments in applicable laws with regard to Policy for Determination of Materiality shall be deemed to be covered in this Policy without any review. Any change/amendments to this policy shall be approved by the Board of Directors.



**EVENTS WHICH SHALL BE DISCLOSED UPON  
APPLICATION OF THE GUIDELINES FOR  
MATERIALITY REFERRED SUB-REGULATION (4)  
OF REGULATION (30)**

Sr. No.	Events as per Para B 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	Any of the following events pertaining to the listed entity: (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 listed entity 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 listed entity
8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity
10	Options to purchase securities including any ESOP/ESPS Scheme
11	Giving of guarantees or indemnity or becoming a surety by whatever named 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





Sr. No.	Events as per Para C of Part A of Schedule III
1	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.