

# ALEMBIC LIMITED

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## *POLICY ON DETERMINING MATERIALITY OF EVENTS/INFOMRATION*

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| <b>Details of Amendments to the Policy</b> |                   |                                  |                            |                          |
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| <b>Policy Change effective Date</b>        | <b>Clause No.</b> | <b>Particulars of the Change</b> | <b>Board Approval Date</b> | <b>Version of Policy</b> |
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## I. SCOPE OF THE POLICY

- A. This policy is prepared in accordance with the requirements of the provisions of Regulation 30(4)(ii) of the SEBI (Listing Obligation and Disclosure) Regulation, 2015 (“**Listing Regulations**”). The Board of Directors (“**Board**”) of Alembic Limited (“**Company**”) has adopted this policy at its meeting held on 5<sup>th</sup> November, 2015, for determination of materiality of events/information in order to enable the Company to broadly classify, categorize and promptly disclose to the stock exchanges material events/information, in accordance with the Regulations.

## II. OBJECTIVE OF THE POLICY

- A. The Company believes in principles disclosure and transparency and understands that timely disclosure of relevant information to the shareholders of the Company is important to protect the interests of shareholders of the Company. Non-compliance with the principles of disclosure and transparency can present potential risks to Company including by way of loss of shareholder confidence, non-compliance risks of the various regulations to the Company and may raise questions about the governance practices in the Company.
- B. This policy on the determination of materiality of events/Information, as required under 30 (4) (ii) of the Regulation is laid down to express the policy of the Company for identification/determination of material events/information which require prompt disclosure to the Stock Exchanges in accordance with the Regulations.
- C. This Policy may be amended at any time by the Board of Directors (“the Board”) of the Company and is subject to further guidance from SEBI or amendments to or re-enactment of Regulations.

## III. RELEVANT REGULATIONS

- A. Schedule III (A)(A), Schedule III(B), Schedule III(C) and Schedule III(D) of the Regulations prescribe a list of events which are deemed to be material events and are required to be disclosed by the Company promptly to the shareholders through the stock exchange by the Company within the prescribed time.
- B. Schedule III (A)(B) of the Regulations specifies the list of events which may or may not be material to the Company and for which the Company has to apply the guidelines for materiality as specified in Regulation 30(4) in order to determine whether the event is material.
- C. Regulation 30(4) reads as follows

*“(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:*

- (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) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event/ information is considered material.*
- (ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.”*

#### **IV. POLICY STATEMENT**

- A. The Company through this policy intends to determine whether an event or information is material or not in the following manner
- a. Step 1: Classifying the information or event as i) Having an immediate monetary impact in the current or next financial year (“**Monetary Events/Information**”) or ii) Not having any immediate monetary impact in the current or next financial year (“**Non-monetary Events/Information**”).
  - b. Step 2: For Monetary Events/Information if the total monetary impact of the event/information on the either the assets, liabilities, expenses or turnover of the Company exceeds 10 % (ten percent) of the annual consolidated turnover of the Company as per the latest audited financial statements such events shall be classified as material events and promptly disclosed to the stock exchanges and on the website of the Company by any of the Authorised KMP’s.
  - c. Step 3: For Non-Monetary Events/Information that, i) have a bearing on the performance/operation of the Company or ii) which is considered to be unpublished price sensitive information [as per the SEBI (Prohibition of Insider Trading) Regulations, 2015] shall be evaluated by the Authorised KMP’s for disclosure. The Authorised KMP’s shall evaluate the information based on the criteria as provided in 30(4).
  - d. Step 4: The Authorised KMP’s are authorized for the purpose of determining materiality of an event or information, in case of any doubt on whether any Event/Information is material or not.
- B. In addition to the above for all items specifically provided in Schedule III (A) (B) the determination of materiality shall be as follows:

| Schedule<br>III Part A-<br>Part B Sub-<br>Clause No. | Event/Information  | Classification as<br>per Policy   | When can it be<br>considered material  |
|--|--|---|--|
| <b>1</b>   | Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.   | Monetary<br>Event/Information   | When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.  |
| <b>2</b>   | 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). | Such event/information could be either Monetary or Non-Monetary Event/Information | If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.<br><br>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Disclosure Committee determine it needs to be disclosed. |
| <b>3</b>   | Capacity addition or product launch.   | Monetary<br>Event/Information   | When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.  |
| <b>4</b>   | Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.  | Monetary<br>Event/Information   | When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.  |

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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.   | Monetary Event/Information  | When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.   |
| 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. | Monetary Event/Information  | When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.   |
| 7 | Effect(s) arising out of change in the regulatory framework applicable to the listed entity   | Such event/information could be either Monetary or Non-Monetary Event/Information | <p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Disclosure Committee determine it needs to be disclosed.</p> |
| 8 | Litigation(s) / dispute(s) / regulatory action(s) with impact.  | Such event/information could be either Monetary or Non-Monetary Event/Information | If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.  |

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|           |  |  | <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Disclosure Committee determine it needs to be disclosed.</p>   |
| <b>9</b>  | <p>Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.</p> | <p>Such event/information could be either Monetary or Non-Monetary Event/Information</p> | <p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Disclosure Committee determine it needs to be disclosed.</p> |
| <b>10</b> | <p>Options to purchase securities including any ESOP/ESPS Scheme.</p>  | <p>Such event/information could be either Monetary or Non-Monetary Event/Information</p> | <p>Framing of an ESOP/ESPS scheme shall always be considered to be material and require disclosure by the company.</p> <p>Issue of ESOP's or other similar rights to KMP's shall be disclosed as per the guidelines prescribed in the ESOP / ESPS Scheme.</p>   |

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|           |  |   | <p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Disclosure Committee determine it needs to be disclosed.</p> |
| <b>11</b> | Giving of guarantees or indemnity or becoming a surety for any third party.                          | Monetary Event/Information  | When monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.   |
| <b>12</b> | Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals. | Such event/information could be either Monetary or Non-Monetary Event/Information | <p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A(i) of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised KMP's or the Disclosure Committee determine it needs to be disclosed.</p> |

- C. Nothing in this policy is intended to restrict the Company from voluntarily disclosing any additional information and the Authorised KMP's are jointly authorised to disclose additional information as may be considered important by the Authorised KMP's for disclosure to the shareholders.

## **V. IMPLEMENTATION AND MONITORING**

- A. Mr. Udit Amin, Director & President-Operations, Mr. Rasesh Shah, Chief Financial Officer and Mr. Drigesh Mittal, Dy. Company Secretary ("Authorised KMP's") of the Company are jointly and severally authorized by the Board to decide whether any event or information is material and for the purposes of making disclosures to the stock exchanges. The Contact Details of the Authorised KMPs shall be also disclosed to the Stock Exchange(s) as well as on the Company's website.

## **VI. CHANGE MANAGEMENT**

The Authorised KMP's after approval of the Board may amend or modify this Policy in whole or in part, at any time.