



**Pharmmaids Pharmaceuticals Limited**

## Determination of Materiality of Event or Information Policy



**BOARD OF DIRECTORS**

**Pharmmaids Pharmaceuticals Limited**

## A. Legal Framework

This Policy for Determination of Materiality of Event or Information is aimed at providing guidelines to the Management of M/s Pharmaids Pharmaceuticals Limited, to determine the materiality of any event or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined) and public at large.

This Policy has been formulated in accordance with the guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to disclosure of Event and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Event or Information” the Board shall review, and if found required, may amend this Policy from time to time.

## B. Objective

The Objective of this Policy is to serve as a Guiding Charter to the Management to ensure that timely and adequate disclosure of Event or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regards to the Securities of the Company.

## C. Definition

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars issued thereunder, as amended from time to time.

“**Act**” means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.

“**Board of Directors**” means the Board of Directors of the Company.

“**Company**” means Pharmaids Pharmaceuticals Limited.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined under Sub-section (51) of Section 2 of the Companies Act, 2013.

“**Listing Regulations**” or “**Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Policy**” means this Policy, as amended from time to time.

“**SEBI**” means the Securities and Exchange Board of India.

“**Rules**” means the rules made under the Companies Act, 2013.

#### **D. Event which are deemed to be Material Event**

The Company shall disclose all such Event which are specified in Part A of this Policy without any application of the Guidelines for Materiality as provided in Sub-Regulation (4) of Regulation 30 of the Listing Regulations.

The Company shall first disclose to the Stock Exchange(s) of all Event, as specified in Part A of this Policy, or information as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information. Provided that 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. Provided further that disclosure with respect to Event specified in sub-para 4 Part A of this Policy shall be made within thirty minutes of the conclusion of the Board Meeting.

The Company shall, with respect to disclosures referred to in this Regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved, with relevant explanations.

The Company shall disclose on its website all such Event or information which has been disclosed to the Stock Exchange(s) under this Regulation, 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 Listed Entity, as disclosed on its website. The Company shall disclose all Event or information with respect to Subsidiaries which are material for the Listed Entity.

The Listed Entity shall promptly inform the Stock Exchange(s) of all information having bearing on the performance of the Listed Entity, Price Sensitive Information or any action that shall affect payment of Interest or Dividend of Non – Convertible Preference Shares or Redemption of Non – Convertible Debt Securities or Redeemable Preference Shares.

#### **E. Event which are dependent on application of Guidelines for Materiality**

The Company shall disclose all such Material Event pertaining to itself or its Subsidiary(ies), specified in Part B of this Policy subject to application of Guidelines for Materiality.

### **Guidelines for Determining Materiality**

- the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 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
- any other 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.
- Any other Information / Event: The Company shall disclose major developments that are likely to affect business, 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.

### **Guidance on when an Event / Information is deemed to be occurred**

- The Event / Information shall be said to have occurred upon receipt of approval of Board of Directors e.g., Further Issue of Capital by Rights Issuance and in certain Event / Information, after receipt of approval of both i.e. Board of Directors and Shareholders;
- The Event / Information that may be of price sensitive nature such as Declaration of Dividends etc., on receipt of approval of the event by the Board of Directors, pending Shareholder's Approval.
- In the Event / Information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the Event / Information, or as soon as, an Officer of the Entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

### **F. Authorize Key Managerial Personnel for the purpose of Determining Materiality of an Event or Information and for the purpose of making disclosures to the Stock Exchange**

The following KMPs are hereby severally authorized by the Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchange(s) ("**Authorized Person(s)**") and to suo-moto clarify / deny any report event or information, which has been made public by any means including but not limited to electronic means. They are further authorised to respond to the rumors amongst the general public, if such response will protect the interests of the Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting:

- Executive Directors
- Chief Financial Officer
- Company Secretary

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

## **G. Amendments**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law, for the time being in force.

## **H. Scope and Limitation**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or the Listing Regulations or any other statutory enactments or Rules, the provisions of Companies Act, 2013 / Listing Regulations or Statutory Enactments, Rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **I. Dissemination**

This Policy shall be hosted on the website of the Company.

## **J. Part A: Disclosures of Event or Information**

The following shall be Event / Information, upon occurrence of which Company shall make disclosure to the Stock Exchange(s):

A. Event which shall be disclosed without any application of the Guidelines for Materiality as specified in Sub-Regulation (4) of Regulation (30):

1. 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.

Explanation: For the purpose of this sub-para, the word 'Acquisition' shall mean:

- (i) Acquiring Control, whether directly or indirectly; or,
- (ii) Acquiring or agreeing to acquire Shares or Voting Rights in, a Company, whether directly or indirectly, such that –
  - a) the Company holds Shares or Voting Rights aggregating to Five Percent 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 made under sub-clause (a) of Clause (ii) of the Explanation to this sub-para and such change exceeds Two Percent of the Total Shareholding or Voting Rights in the said Company.

2. Issuance or Forfeiture of Securities, Split or Consolidation of shares, Buy-back 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.
3. Revision in Rating (s).
4. Outcome of Meetings of the Board of Directors:

The Company shall disclose to the Exchange(s), 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) Decision on Buy-back of Securities.
  - d) 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.
  - 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 the Stock Exchange(s).
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 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.
  6. Fraud / defaults by Promoter or Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel or Promoter.
  7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
  8. Appointment or Discontinuation of Share Transfer Agent.
  9. Corporate Debt Restructuring.
  10. One Time Settlement with a Bank.



11. Reference to BIFR and 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 Listed Entity.
13. Proceedings of Annual and Extra-ordinary General Meetings of the Listed Entity.
14. Amendments to Memorandum and Articles of Association of Listed Entity, in brief.
15. Schedule of Analyst or Institutional Investor Meeting and presentations on Financial Results made by the Company to Analysts or Institutional Investors.

**K. Part B – Event which shall be Disclosed upon application of the guidelines for Materiality referred to Clause 5**

1. Commencement or any postponement in the date of commencement of Commercial Production or Commercial Operations of any unit / division.
2. 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).
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) (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.
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 Event such as strikes, lockouts etc.
7. Effect(s) arising out of change in the Regulatory Framework applicable to the Listed Entity.
8. Litigation(s) / Dispute(s) / Regulatory Action(s) with impact.
9. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or Employees of Listed Entity.

10. Options to Purchase Securities including any ESOP / ESPS Scheme.
11. Giving of Guarantees or Indemnity or becoming a surety for any third party.
12. Granting, Withdrawal, Surrender, Cancellation or Suspension of Licenses or Regulatory Approvals.

