

ALEMBIC PHARMACEUTICALS LIMITED

POLICY ON DETERMINING MATERIALITY OF EVENTS/INFORMATION

Details of Adoption / Amendments to the Policy				
Policy Adoption / Change effective Date	Clause No.	Particulars of the Adoption / Change	Board Approval Date	Version of Policy
27/10/2015	-	Adoption of Policy	27/10/2015	Original
27/07/2018	V	Addition of Authorised Person for determining materiality of event(s) / information(s) to be disclosed to the Stock Exchanges from time to time.	27/07/2018	V-2
23/04/2020	V	Addition of Authorised Person for determining materiality of event(s) / information(s) to be disclosed to the Stock Exchanges from time to time.	23/04/2020	V-3
05/05/2023	V & VI	Change in Authorised Person for determining materiality of event(s) / information(s) to be disclosed to the Stock Exchanges from time to time.	05/05/2023	V-4
04/08/2023	Various clauses	Changes incorporated pursuant to amendments in Listing Regulations vide notification dated 14 th June, 2023.	04/08/2023	V-5
08/08/2024	V and connected changes in various clauses	Substitution of clause w.r.t. Authorised Persons for determining materiality of event(s) / information(s) to be disclosed to the Stock Exchanges from time to time.	08/08/2024	V-6

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**”) as may be amended from time to time. The Board of Directors (“**Board**”) of Alembic Pharmaceuticals Limited (“**Company**”) has adopted this policy at its meeting held on 27th October, 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 Part-A Para-A of the Listing 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 Part-A Para-B, C and D of the Listing 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

“(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; 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 listed entity;

(2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, 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 listed entity;

(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 listed entity, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

(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.

Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:

Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).”

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

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**”).

Step 2: For Monetary Events/Information if the total monetary impact of the event/information on either the assets, liabilities, expenses or turnover of the Company exceeds lower of (a) 2% (two percent) of the turnover of the Company as per the latest audited consolidated financial statements; or (b) 2 % (two percent) of the net worth of the Company, as per the last audited consolidated financial statements, except in case the arithmetic value of the net worth is negative; or (c) 5% (five percent) of the average of absolute value of profit or loss after tax of the Company, as per the last three audited consolidated financial statements, then 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 Persons.

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 Persons for disclosure. The Authorised Persons shall evaluate the information based on the criteria as provided in 30(4).

Step 4: The Authorised Persons 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 Part-A Para - B the determination of materiality shall be as follows:

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

Schedule III Part A- Para B Sub- Clause No.	Event/Information	Classification as per Policy	When can it be considered material
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.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A 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 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 of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised Persons determine it needs to be disclosed.</p>
8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.	Such event/information could be either Monetary or	If the event is a Monetary Event/Information then, when monetary

Schedule III Part A- Para B Sub- Clause No.	Event/Information	Classification as per Policy	When can it be considered material
		Non-Monetary Event/Information	<p>impact exceeds thresholds as provided in Step 2 of Clause A of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised Persons determine it needs to be disclosed.</p>
9	Fraud/defaults by employees of listed entity which has or may have an impact on 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 of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised Persons determine it needs to be disclosed.</p>
10	Options to purchase securities including any ESOP/ESPS Scheme.	Such event/information could be either Monetary or	Framing of an ESOP/ESPS scheme shall always be considered to be material and require

Schedule III Part A- Para B Sub- Clause No.	Event/Information	Classification as per Policy	When can it be considered material
		Non-Monetary Event/Information	<p>disclosure by the company.</p> <p>Issue of ESOP's or other similar rights to Person's shall be disclosed as per the guidelines prescribed in the ESOP / ESPS Scheme.</p> <p>If the event is a Monetary Event/Information then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A of the policy statement above.</p> <p>If the event is a Non-Monetary Event/Information then, when the Authorised Persons determine it needs to be disclosed.</p>
11	Giving of guarantees or indemnity or becoming a surety by whatever named called for any third party.	Monetary Event/Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A of the policy statement above.
12	Granting, withdrawal, surrender, cancellation or	Such event/information	If the event is a Monetary Event/Information

Schedule III Part A- Para B Sub- Clause No.	Event/Information	Classification as per Policy	When can it be considered material
	suspension of key licenses or regulatory approvals.	could be either Monetary or Non-Monetary Event/Information	then, when monetary impact exceeds thresholds as provided in Step 2 of Clause A of the policy statement above. If the event is a Non-Monetary Event/Information then, when the Authorised Persons determine it needs to be disclosed.
13	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority	Monetary Event/ Information	When monetary impact exceeds thresholds as provided in Step 2 of Clause A of the policy statement above.

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

V. IMPLEMENTATION AND MONITORING

All the Executive Directors of the Company and such other persons as may be authorised by the Board of Directors, from time to time, (“Authorised Persons” for the purposes of this Policy) are jointly and severally authorized 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 Persons shall be also disclosed to the Stock Exchange(s) as well as on the Company’s website.”

VI. MATERIALITY IDENTIFICATION, ASSESSMENT AND REPORTING GUIDELINES:

Regulation 30(4) of the Listing Regulations provides that this Policy document should assist relevant employees of the Company in identifying any potential material event or information and for reporting the same to the Authorized Persons so as to enable them to determine the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

With the intention of achieving this objective, this Policy will be uploaded on the Company's website and distributed to all relevant employees. i.e., Functional Head or Senior Management Personnel as may be decided by the Board or the Authorised Persons. All relevant employees must familiarize themselves with this policy and promptly report potential material events or information to the Authorised Persons for enabling timely reporting.

TIME FRAME FOR DISCLOSURE OF EVENT OF INFORMATION

The Company will disclose all the events or information or such other filings as required under the Listing Regulations as per the timelines prescribed thereunder as detailed below:

Sr. No.	Nature of Information	Timelines for Disclosure
1.	For all material events/information for which decision is taken in a Board Meeting.	Within 30 minutes from the closure of the Board Meeting.
2.	For all material events/information emanating from within the Company.	Within 12 hours from the occurrence of the event or information.
3.	For all material events/information relating to the Company but emanating from outside the Company.	Within 24 hours from the occurrence of the event or information.

VII. CHANGE MANAGEMENT

The Board and the Authorised Persons shall severally have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy
