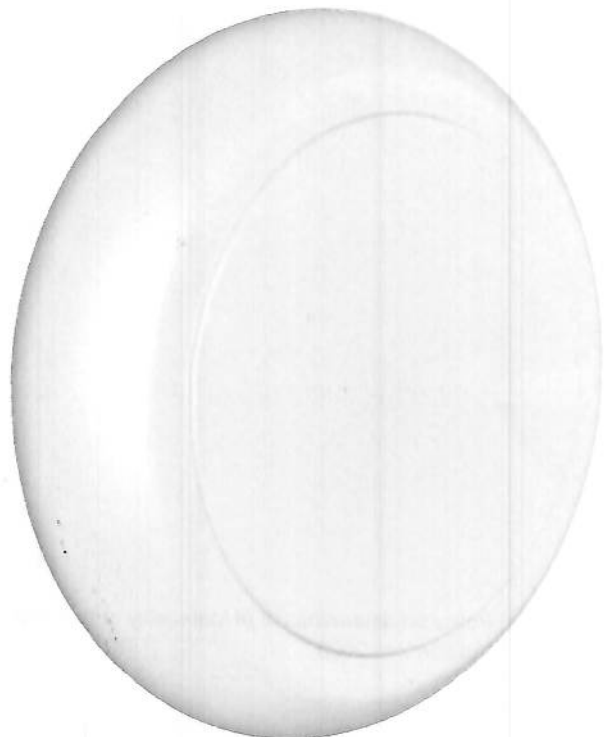
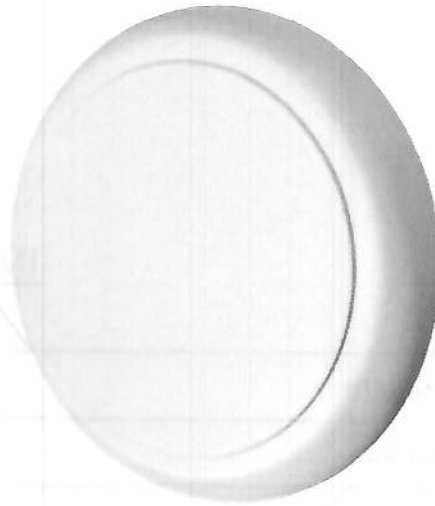


Aarti Pharmed Labs Limited

**Policy on Determination
of Materiality of Event or
Information**

Compliance Department



INDEX

Sr. No.	Particulars	Page No.
1	Objective	2
2	Definitions	2
3	Applicability	3
4	Criteria for determination of materiality of events/information	10
5	Guidelines for determination of materiality of events/information	11
6	Contact Details	12
7	Dissemination of Policy	12
8	Amendment	12

Policy effective from January 30, 2023

Revised Policy effective from July 14, 2023

1. OBJECTIVE

The Policy is framed in accordance with the requirements of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Aarti Pharmalabs Limited ('APL' / 'Company') is committed to function keeping in view the best interests of its various stakeholders with due integrity. The objective of this Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in a fair and timely manner in pursuance with the SEBI Listing Regulations and to provide an overall governance framework for such determination of materiality.

The Board of Directors of the Company has adopted the Policy on determination of materiality of events/ information on October 17, 2022.

2. DEFINITIONS

- "Board" or "Board of Directors" means the collective body of the Directors of the Company as constituted from time to time;
- "Company/ APL" shall mean Aarti Pharmalabs Limited
- "Key Managerial Personnel" or "KMP" means the personnel as defined under Section 2(51) of the Companies Act, 2013, read with the rules and regulations issued thereunder, as amended from time to time;
- "Material Event/s" means those event/s specified in: (i) Para A of Part A of Schedule III of the Listing Regulations, being deemed material events, which the Company shall compulsorily disclose; (ii) events specified in Para B of Part A of Schedule III of the SEBI Listing Regulations, which the Company shall disclose, based on guidelines for materiality as specified regulation 30(4); (iii) events specified in Para C of Part A of Schedule III of the Listing Regulations.
- "Policy" means this Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges;
- "SEBI" means the Securities and Exchange Board of India;

- “Securities” shall have the meaning assigned to it under the Securities Contract (Regulation) Act, 1956, as amended from time to time;
- “Subsidiaries” means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013, read with the rules and regulations issued thereunder, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

3. APPLICABILITY

I. The following event/s specified in Para A of Part A of Schedule III of the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of the guidelines for materiality:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s), whole or substantially whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean acquiring control either directly or indirectly or acquiring or agreeing to acquire shares/voting rights in a company either directly or indirectly, such that the APL holds 5% or more of the shares or voting rights in the said company or if there is a change in existing holding from the last disclosure made and such change exceeds 2% of the total shareholding/ voting rights in the company or the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

2. 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.
3. New Rating(s) or 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. 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 listed entity from stock exchange(s):

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

5. Agreements [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.
- 5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.

However, such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or

whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

6. Fraud/defaults by promoter or director or key managerial personnel or senior management or subsidiary or by listed entity or arrest of key managerial personnel or senior management or promoter or director of the listed entity.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
- 7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, certain prescribed disclosures shall be made to the stock exchanges by the listed entities.
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of Share Transfer Agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - a. Decision to initiate resolution of loans/borrowings;
 - b. Signing of Inter-Creditors Agreement (ICA) by lenders;
 - c. Finalization of Resolution Plan;



- d. Implementation of Resolution Plan;
 - e. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
10. One time settlement with a bank.
 11. 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 Extraordinary General Meetings of the listed entity.
 14. Amendments to Memorandum and Articles of Association of listed entity, in brief.
 15. Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of intimation and the date of the meet and presentations made by the listed entity to analysts or institutional investors.
Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
 - (i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - (ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.
 16. The following events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debtor under the Insolvency Code:
 - a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;

- c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f. Appointment/ Replacement of the Resolution Professional;
- g. Prior or post-facto intimation of the meetings of Committee of Creditors;
- h. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i. Number of resolution plans received by Resolution Professional;
- j. Filing of resolution plan with the Tribunal;
- k. Approval of resolution plan by the Tribunal or rejection, if applicable;
- l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - Pre and Post net-worth of the company;
 - Details of assets of the company post CIRP;
 - Details of securities continuing to be imposed on the companies' assets;
 - Other material liabilities imposed on the company;
 - Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - Details of funds infused in the company, creditors paid-off;
 - Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - Impact on the investor – revised Price Earning, Return on Net worth ratios etc.;
 - Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - Brief description of business strategy.
- m. Any other material information not involving commercial secrets.
- n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o. Quarterly disclosure of the status of achieving the MPS;
- p. The details as to the delisting plans, if any approved in the resolution plan.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:

- a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity.

21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.

II. The following event/s specified in Para B of Part A of Schedule III of the Listing Regulations upon occurrence of which the Company shall make disclosure to the Stock Exchanges after following the procedural guidelines as given in Para 5 of this Policy:

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 (loan agreement(s) or any other agreement(s) which are binding and not in the 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 name 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.
- III. 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 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.**



- IV. Without prejudice to the generality of para (I), (II) and (III) above, the Company may make disclosures of event/information as specified by the Board from time to time.**

4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

The Company shall consider the criteria as specified in clause (i) of sub regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events / information which read as follows:

- 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/ information, whose value or expected value in value terms is lower of the following:
 - i. 2% of turnover* or 2% of net worth* or 5% of average of absolute value of profit/ loss after tax* [*As per the last audited consolidated financial statements of the Company*]
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an 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.

Disclosure of material events/ information shall be made by the Company to the Stock Exchanges not later than;

- Thirty (30) minutes from closure of the meeting of Board of Directors;
- Twelve (12) hours from the occurrence of event/ information, which emanates from within the listed entity
- Twenty-four (24) hours from the occurrence of event/ information, which emanates from outside the listed entity

The Company must explain reasons for delay, if any, to the Stock Exchanges if disclosure given later than the specified timeline.

The Company must confirm/deny/clarify any reported event/ information in the mainstream media (not in general nature but which indicates about rumors of an impending specific material event/ information) as soon as reasonably possible and not later than 24 hours from the reporting of the event/ information.

5. GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, Chief Finance Officer, Vice President, Head of the Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Shri Rashesh Gogri, Chairman of the Company and Smt. Hetal Gogri Gala, Vice Chairperson and Managing Director of the Company about any event/information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event/ information should be reported immediately after a Responsible Officer becomes aware of it.

On receipt of communication of potential material event/ information Shri Rashesh Gogri, Chairman of the Company and Smt. Hetal Gogri Gala, Vice Chairperson and Managing Director of the Company will

- Review event / information and to take whatever steps necessary to verify its accuracy;
- Assess whether the event/ information is required to be disclosed to the Stock Exchanges under the Listing Regulations.

The procedure to be followed in relation to the lodgement of announcement of material event / information is as follows:

- a. Prepare draft announcement to the Stock Exchanges: If the event / information is material, the Company Secretary will prepare draft announcement to the Stock Exchanges, which is factual and expressed in clear manner and obtain approval of Shri Rashesh Gogri, Chairman.
- b. Lodge Announcements: The Company Secretary on behalf of the Company will lodge or arrange for lodgement of the announcement with the Stock Exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of event or Information. Provided further that disclosure with respect to events specified in sub-para 4 of

Para A of Part A of Schedule III all be made within thirty minutes of the conclusion of the board meeting.

- c. Post announcement on website: After lodgement of the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

6. CONTACT DETAILS

Pursuant to Regulation 30(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company herein provides the contact details of the Authorised Persons for the purpose of determining the materiality of any event or transactions or information and for the purpose of making disclosure to Stock Exchange(s).

Sr. No.	Name	Designation	Contact Details
1.	Shri Rashesh Gogri	Chairman	204, Udyog Kshetra, 2nd Floor, Mulund Goregaon Link road, Mulund (W), Mumbai - 400080
2.	Smt. Hetal Gogri Gala	Vice Chairperson and Managing Director	

7. DISSEMINATION OF POLICY

The Policy shall be uploaded on the Company's website.

8. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

=====