



GLAND PHARMA LIMITED

POLICY FOR DETERMINATION OF MATERIALITY AND FOR DISCLOSURE OF EVENTS/ INFORMATION

Preamble:

The following Policy for Determination of Materiality and for Disclosure of Events/Information, approved by the Board of Directors of Gland Pharma Limited (the “**Company**”) provides an overall framework for disclosure of information or events of the Company pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”, and such policy, the “**Policy**”). This Policy is subject to the Board’s review and changes, as may be appropriate, in conformity with the requirements of the SEBI LODR Regulations, as amended from time to time.

This policy is effective from June 3, 2020 and shall be applicable for disclosures to be made by the Company effective this date.

2. Objective:

This Policy is based on the principles governing the disclosures as stated in the SEBI LODR Regulations and further lays down the guidelines for determining the materiality thresholds with respect to certain events or information of the Company as permitted under the SEBI LODR Regulations. The objectives of this Policy is -

- To determine the events/ information which in the opinion of the Board are material and needs to be disclosed to the Stock Exchanges as per the stipulated timelines.
- To facilitate timely and adequate disclosure of material information or events which are unpublished and price sensitive, have a bearing on performance or operations of the Company or may result in a significant market reaction in the price of securities of the Company if the omission comes to light at a later date.

3. Definitions:

- a. “**Board**” or “**Board of Directors**” means the collective body of the Directors of the Company as constituted from time to time;
- b. “**Company**” shall mean Gland Pharma Limited;
- c. “**Material Event/s**” means those event/s specified in:
 - i. Para A of Part A of Schedule III of the SEBI LODR 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 LODR Regulations, which the Company shall disclose, based on guidelines for materiality as specified in clause 5 herein;
 - iii. events specified in Para C of Part A of Schedule III of the SEBI LODR Regulations;
 - iv. events specified in Part B of the SEBI LODR Regulations;
 - v. all information having a bearing on the performance/ operation of the Company, price sensitive information or any action that shall affect the payment of interest or redemption of non-convertible debt securities; and
 - vi. any event which may have a material effect on the Company;
- d. **“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;
- e. **“Officer”** shall have the same meaning as under the Companies Act, 2013; together with rules and regulations issued thereunder, as amended from time to time;
- f. **“Ordinary course of business”** or **“normal course of business”** means all activities that are necessary, normal or incidental to the business of the Company and are permitted by objects of the Company. These would also include common practices, historical practices and customs of commercial transactions with a pattern of frequency.
- g. **“Policy”** means this Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges;
- h. **“SEBI”** means the Securities and Exchange Board of India;
- i. **“SEBI Circular”** means circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015; issued by the SEBI on continuous disclosure requirements for listed entities, as amended or substituted from time to time;
- j. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956; as amended from time to time;
- k. **“Stock Exchanges”** means stock exchanges on which the Securities of the Company are listed, namely, the BSE Limited and National Stock Exchanges of India Limited; and
- l. **“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 SEBI LODR Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. Criteria for disclosure:

The following criteria shall be considered by the Company while determining the materiality of events/ information-

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. the omission of an event or information is likely to result in significant market reaction if the said omission comes to light at a later date; or
- iii. the event/information is likely to have a bearing on performance or operations of the Company or have a material impact on the business or the Company; or
- iv. in cases where the criteria specified in sub-clauses (i) to (iii) above are not applicable, whether an event/information may be treated as being material in the opinion of the Board.

5. Applicability:

[A] The following event/s are deemed to be Material Event/s in terms of Para (A) of Part A of Schedule III of the Regulations read with SEBI Circulars, 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 listed entity 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 listed entity holds shares or voting rights aggregating to five per cent 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 per cent of the total shareholding or voting rights in the said company.
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. 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:
- 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;
 - any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - 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;
 - short particulars of any other alterations of capital, including calls;
 - financial results;
 - decision on voluntary delisting by the Company from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) 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 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.
- 7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed 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 auditor including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges:
- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed to the stock exchanges.
 - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reason other than those provided.
 - iii. The confirmation as provided by the independent director above shall also be disclosed to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
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 Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
16. The following events in relation to the corporate insolvency resolution process (CIRP) of the Company (if applicable) under the Insolvency Code:
- a. Filing of application by the Company for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the Company, 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 Company 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. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- m. Any other material information not involving commercial secrets

[B] The following events shall be disclosed upon application of the guidelines for materiality referred Sub-Regulation (4) of Regulation (30):

- 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 events such as strikes, lockouts, etc.



7. Effect(s) arising out of change in the regulatory framework applicable to the Company
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
10. Fraud/defaults, etc. by directors (other than key managerial personnel) or employees of Company.
11. Options to purchase securities including any ESOP/ESPS Scheme.
12. Giving of guarantees or indemnity or becoming a surety for any third party.

[C] Any other information/event viz. major development that is likely to affect business of the Company

Events/ information that may include but are not restricted to

- 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.

Without prejudice to the generality of Para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by SEBI from time to time.

6. Guidelines on occurrence of an event / information

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- (a) depends upon the stage of discussion, negotiation or approval; and
- (b) in case of natural calamities, disruptions, etc., it would depend upon the timing when the Company became aware of the event/information.

In respect of the events under 6(a), the events/information can 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 events/information after receipt of approval of both i.e. Board of Directors and shareholders.



However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends, etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under paragraph 6(b), 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 entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Events which are dependent on application of guidelines for materiality

Quantitative criteria

- For the events as specified in items 1 to 9 in paragraph 5[B] above, the Company shall disclose all such material events pertaining to itself or its subsidiary(ies), if any- subject to application of these guidelines for materiality.

This would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- a. Exceeds 10% of the consolidated income, or
 - b. Exceeds 10% of the consolidated net worth or
 - c. Exceeds 10% of the consolidated profit before tax, whichever is applicable.
- For Fraud/ defaults, etc. by directors (other than key managerial personnel) or employees of the Company involving financial impact of Rs. 5 Crores or more
 - For options to purchase securities, including any ESOP/ESPS Scheme amounting to 2% of the post-issue equity share capital.
 - For giving of guarantees or indemnity or becoming a surety for any third party in excess of 10% of the consolidated net worth of the Company of the last audited financial year.

Qualitative criteria

This would mean an event/ information where

- (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 comes to light at a later date; or
- (c) 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.



7. Authorization and Co-ordination for disclosure

Pursuant to Regulation 30(5) of the SEBI LODR Regulations, 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 Stock Exchange(s) under this Policy (“**Authorized Person(s)**”).

- a. Managing Director / Chief Executive Officer (CEO)
- b. Chief Financial Officer (CFO)
- c. Company Secretary

Once the KMPs decide (in cases where materiality thresholds are applicable) to make a disclosure under this Policy, it will be forthwith informed to the Company Secretary for dissemination to stock exchanges within the stipulated timelines.

The materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgment while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

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

8. Authority to make alterations

The Board of Directors of the Company is authorized to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.

9. Scope and Limitation

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

for **GLAND PHARMA LIMITED**

SRINIVAS SADU
MANAGING DIRECTOR & CEO