

## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION FOR DISCLOSURE TO THE STOCK EXCHANGES**

### **1. Legal Framework.**

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Themis Medicare Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current 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 events and information.

### **2. Objective.**

The objective of this policy is to determine the “Materiality of the Information of the Company” for the purpose of Disclosure to the Stock exchanges and to provide the Governance Framework on such information.

### **3. Introduction.**

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

(b) “Board of Directors” means the Board of Directors of the Company.

(c) “Company” means Themis Medicare Limited.

(d) “Key Managerial Personnel” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

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

(f) “Policy” means this policy, as amended from time to time.

(g) “SEBI” means the Securities and Exchange Board of India.

(h) “Rules” means the rules made under the Companies Act, 2013.

(i) “Stock Exchange(s)” means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

#### **4. Events Which Are Deemed To Be Material Events.**

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations. (Refer Annexure).

#### **5. Events Which Are Dependent On Application Of Guidelines For Materiality.**

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality. (Refer Annexure).

#### Guidelines For Determining Materiality of Events or Information.

**Quantitative criteria** 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 ten per cent of the consolidated gross turnover, or
- (b) exceeds ten per cent of the consolidated net worth; whichever is lower.

**Qualitative criteria** would mean an event/ 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) 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.

#### **6. Any Other Information / Event Which Is To Be Disclosed By the Company.**

The Company shall disclose major developments that are 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. (Refer Annexure).

#### **7. 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 7(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 7(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. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

#### **8. Authorize key managerial personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange.**

The following KMPs were hereby severally authorized by 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) ("Authorized Person(s)") in its meeting held on 4th November, 2014:

- a.** Dr. Dinesh S. Patel (Managing Director & CEO)
- b.** Dr. Sachin D. Patel (Dy. Managing Director)
- c.** Mr. Prakash D. Naringrekar (CFO & Company Secretary)

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 judgement 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 be also disclosed to the Stock Exchange(s) and as well as on Company's website.

#### **9. 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.

## **10. 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.

## **11. Dissemination of Policy.**

The Disclosure Policy will be posted on the Company's corporate website [www.themismedicare.com](http://www.themismedicare.com) and events & information disclosed to the Stock Exchanges in terms of this Policy will also be kept posted on the website for at least five years from the date such event / information is posted.

The Disclosure Policy was adopted by the Board on 10<sup>th</sup> February, 2016 and will be reviewed as and when deemed necessary.

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## ANNEXURE

### **GUIDELINES FOR DISCLOSURE OF MATERIAL EVENTS OR INFORMATION TO THE STOCK EXCHANGES:**

- A.** The following events will be disclosed to the Stock Exchanges **within 30 minutes** after the decision is taken or approval is granted after the conclusion of the meeting of the Board of Directors of the Company:
- (i) Approval of financial results;
  - (ii) Recommendation/non recommendation of dividend to the shareholders or declaration of interim dividend, including the date of payment of dividend recommended / declared;
  - (iii) Approval / recommendation to the shareholders of fund raising proposal through issue of securities or acceptance of deposits from the members / public;
  - (iv) Recommendation to the shareholders for issue of bonus shares and related information;
  - (v) Approval / recommendation to the shareholders for buy back of securities;
  - (vi) Approval of forfeiture of securities, re-issue of forfeited securities or alteration of call(s) on securities;
  - (vii) Recommendation to the shareholders for alteration of share capital;
  - (viii) Approval / recommendation to the shareholders for voluntary delisting of the Company's securities from one or more Stock Exchange(s).
- B.** The following events / information will be disclosed to the Stock Exchanges as soon as possible **but no later than 24 hours** of the **occurrence of the event / information**:
- (i) Approval of the Board for acquisition, directly or indirectly, of control of a company, or entering into agreement for this purpose.
  - (ii) Acquiring or agreeing to acquire, directly or indirectly, shares / voting rights of a company, such that the shareholding / voting rights aggregate 5%\* or more of that company's total shareholding / voting rights.
  - (iii) Changes in shareholding in a company from the last disclosure made to the Stock Exchanges under Clause (ii) above, when such change exceeds 2%\* of that company's total shareholding / voting rights.
  - (iv) Recommendation by the Board to the shareholders of a Scheme of

Arrangement for amalgamation, merger, demerger or other such restructuring;

- (v) Approval of the Board / recommendation by the Board to the shareholders for sale or disposal of a Manufacturing Unit / Hotel / Division of the Company or sale or disposal of a Subsidiary of the Company.
- (vi) Issue of securities by way of rights, bonus shares or in any other manner, alteration of capital and sub-division or consolidation of shares.
- (vii) Forfeiture of securities, re-issue of forfeited securities or alteration of call(s) on securities.
- (viii) Redemption of securities of the Company.
- (ix) Buyback of securities of the Company.
- (x) Recommendation by the Board to the shareholders for alteration in the terms of securities of the Company.
- (xi) Imposition of restriction on transferability of securities of the Company by any authority #.
- (xi) Change in Directors, Key Managerial Personnel (KMP), Statutory Auditors and Compliance Officer appointed under the Regulations 2015.
- (xii) Notices, call letters, resolutions and circulars sent to and advertisements issued for the information of all shareholders / creditors / debenture holders, or any class thereof.
- (xiii) Brief details of General Meeting held.
- (xiv) Recommendation by the Board to the shareholders for amendment to Memorandum and Articles of Association of the Company.
- (xv) Schedule of analysts or institutional investors' meet organized by the Company and presentations on financial results made by the Company to analysts or institutional investors at such meets.

The Company will ensure that no material information is disclosed selectively to any one or group of research analysts or investors to the disadvantage of other stakeholders. In the unlikely event of any material information being disclosed selectively, inadvertently or otherwise, at a meeting with analysts or at any investor relations conference, such information would be promptly disclosed to the Stock Exchanges.

- (xvi) Knowledge of fraud by KMP or by the Company or arrest of KMP #.

- (xvii) Occurrence of default by KMP or the Company (and not merely procedural default) #.
  - (xviii) Entering into shareholder agreement or joint venture agreement, to the extent that it impacts management and control of the Company, or entering into agreement with media companies which is binding and not in the normal course of business, including amendment thereto or termination thereof.
  - (xix) Corporate debt restructuring and one time settlement with banks.
  - (xx) Reference to BIFR and winding-up petition filed by any party / creditors.
  - (xxi) Rating of securities of the Company by a credit rating agency, including revision, if any.
  - (xxii) Approval of the Board for appointment or discontinuation of Share Transfer Agents.
- C. The following events / information will be disclosed to the Stock Exchanges as soon as possible **but no later than 24 hours** of the **occurrence of the event / information**, if the impact of such event / information on the Company exceeds 10% of its gross turnover or 10% of its net worth, whichever is higher, such turnover / net worth to be based on the latest audited annual financial statements of the Company:
- (i) Commencement or postponement in the date of commencement of commercial production or commercial operations of a Manufacturing Unit / Hotel / Division of the Company.
  - (ii) Change in the general character or nature of business of the Company through strategic, technical, manufacturing or marketing tie-up with external party.
  - (iii) Adoption of new line of business or closure of operations of a Manufacturing Unit / Hotel / Division of the Company.
  - (iv) Capacity addition.
  - (v) Category or Product launch.
  - (vi) Disruption of operations of a Manufacturing Unit / Hotel / Division of the Company due to natural calamity (force majeure events) or events such as strikes, lockouts etc. #
  - (vii) Change in regulatory framework impacting the business of the Company #.
  - (viii) Litigation / dispute / regulatory action against the Company or its KMP #.

- (ix) Knowledge of fraud by Directors or employees, other than KMP, of the Company #.
- (x) Occurrence of default by Directors or employees, other than KMP, of the Company (and not merely procedural default) #.
- (xi) Recommendation by the Board to the shareholders to a Scheme for grant of Stock Options under the SEBI (Share Based Employee Benefits) Regulations, 2014.
- (xii) Details of grant, vesting and exercise of Stock Options under the Company's Employee Stock Option Schemes, where such grant, vesting or exercise exceeds 1% of the paid-up share capital of the Company, based on the latest audited annual financial statements of the Company.
- (xiii) Giving of guarantee or indemnity or becoming a surety for a third party.
- (xiv) Granting, withdrawal, surrender, cancellation or suspension of key license or regulatory approval #.
- (xv) Awarding / receiving orders or contracts not in the normal course of business, including amendment thereto or termination thereof #.
- (xvi) Entering into agreement for borrowing money or any other agreement which is binding and not in the normal course of business, including amendment thereto or termination thereof.
- (xvii) Any other significant development / event / information that is likely to impact the Company's business, to the extent indicated above.
- (xviii) Any other material event / information which is exclusively known to the Company and needs disclosure to enable the shareholders to appraise the Company's position.

In case the materiality threshold indicated above cannot be applied to a particular event / information, the Company will disclose such event / information:

- (1) when non-disclosure of the event / information is likely to result in discontinuity or alteration of event / information already available in the public domain, or
- (2) it is expected that if the event / information subsequently comes in the public domain, it will impact the market price of the Company's shares to the extent of 10% or more, wholly attributable to such event / information, or
- (3) If the event / information is material in the opinion of the Board.



Where the Company makes disclosures to the Stock Exchanges under Clause (A), (B) or (C) above, the Company will also disclose material development(s) on the said event / information.

The Company will also disclose to the Stock Exchanges, with respect to its Subsidiaries, events and information which are material for the Company.

\* or such other limit or time period as may be prescribed under Regulations 2015 time to time.

# events/information will be disclosed to the Stock Exchange as soon as possible but not later than 24 hours from time to time any KMP of the Company becomes aware of such event/information in the course of performance of his duties.

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