

**DETERMINATION OF MATERIALITY OF EVENT
OR INFORMATION POLICY**

A. Legal Framework

This Policy for Determination of Materiality of Event or Information is aimed at providing guidelines to the Management of M/s Spectrogen Pharmachem 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.



SPECTROGEN PHARMACHEM LIMITED

(Formerly, Spectrogen Pharmachem Private Limited)

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“**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 Spectrogen Pharmachem 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.

“**Turnover**” shall have the meaning assigned to it in Section 2(91) of the Act “**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 Annexure A forming part of this Policy, within the timeline specified therein from the occurrence of event or information without any application of the Guidelines for Materiality as provided in Sub-Regulation (4) of Regulation 30 of the Listing Regulations.

Provided that in case the disclosure is made after the timeline specified i.e., after twenty-four (24) hours of such occurrence of the event, the Company shall, along with such disclosure(s) provide an explanation for the delay.

Provided further that disclosure with respect to Event specified in sub-para 4 of Para A of Part A of Annexure A forming part of this Policy shall be made within thirty minutes (30) of the conclusion of the Board Meeting.

The Company shall, with respect to disclosures referred to in Part A of Annexure A forming part of this policy, 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 Para B of Part A of Annexure A forming part of this Policy subject to application of Guidelines for Materiality.

GUIDELINES FOR DETERMINING MATERIALITY.

A. Quantitative criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- i. **two percent of turnover**, as per the last audited consolidated financial statements of the listed entity.
- ii. **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.
- iii. **five percent of the average absolute value of profit or loss after tax**, as per the last three audited consolidated financial statements of the listed entity.

- a. In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the ‘sign’ (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for ‘materiality’ of the event and not for any commercial consideration.

- b. 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. **B. 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.

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.

GUIDANCE ON WHEN AN EVENT / INFORMATION IS DEEMED TO BE OCCURRED.

1. In certain instances, it would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., it would depend upon the timing when the listed entity became aware of the event/information.

- i. In the former, 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 case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under regulation 30 of the LODR Regulations.

- ii. In the latter, the events/information can be said to have occurred when a listed entity 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.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

Obligations of Employees and KMPs for Disclosure

- Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.

On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

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:

- a. Executive Directors
- b. Chief Financial Officer
- c. Company Secretary

Contact Details of the above mentioned KMPs has been disclosed to Stock Exchange and also available on the Company’ website.

G. Disclosure

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

- (i) For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting.
- (ii) For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information.
- (iii) For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty-four) hours from the occurrence of the event or information.
 - a. In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.



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- b. The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

H. 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.

I. 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.

J. Dissemination

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

Annexure A

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):

PARA 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 or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the 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 (1): For the purpose of this sub-para, the word 'Acquisition' shall mean:

- (i) Acquiring Control, whether directly or indirectly; or,
- (ii) Acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, 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.
 - c. 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.

Explanation (2): For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include:

- (i) An agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or

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- (ii) An agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in subclause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3): For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

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. 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. 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).

Provided that in case of Board Meeting 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 (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.

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:

Provided that such agreements entered into by a Company 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.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

6. Fraud / defaults by the Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter, or director of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

(i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

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 Company, detailed reasons for resignation of auditor as given by the said auditor, shall be disclosed by the Company 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 Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- i. The letter of resignation along with detailed reason for the resignation as given by the said director
 - ii. Names of listed entities in which resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
 - iii. The Independent director shall, along with the detailed reasons, also provide confirmation that there are no other material reasons other than those provided.
 - iv. The confirmation as provided by the independent director above shall also be disclosed by the Company to the Stock Exchange along with the disclosure specified in sub clause (i) and (ii) above
- 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:
- Decision to initiate resolution of loans/borrowings.

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- Signing of Inter-Creditors Agreement (ICA) by lenders
 - Finalization of Resolution Plan
 - Implementation of Resolution Plan
 - 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 Extra-ordinary General Meetings of the Listed Entity.
 14. Amendments to memorandum and articles of association of listed entity, in brief.
 15. a) Schedule of Analyst or Institutional Investor meet at least two working days in advance (excluding the date of the 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.

b) 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:

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:

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- The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available
 - 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.

16. 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.

17. 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, in respect of the following:

- (a) search or seizure; or
- (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
- (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- (i) name of the authority.
- (ii) nature and details of the action(s) taken, initiated or order(s) passed;
- (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- (iv) details of the violation(s)/contravention(s) committed or alleged to be committed.
- (v) impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

18. 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, in respect of the following:

- (i) suspension;
- (ii) imposition of fine or penalty;
- (iii) settlement of proceedings;
- (iv) debarment;
- (v) disqualification;
- (vi) closure of operations;

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- (vii) Sanctions imposed;
 - (viii) warning or caution; or
 - (ix) any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- (i) name of the authority;
- (ii) nature and details of the action(s) taken, initiated or order(s) passed;
- (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- (iv) details of the violation(s)/contravention(s) committed or alleged to be committed;
- (v) impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

19. 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.

PARA B

Event which shall be Disclosed upon application of the guidelines for Materiality referred to Clause E

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 (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.



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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. Pendency of any Litigation(s) / Dispute(s) or the outcome thereof which may an impact on the listed entity.
 9. Fraud / defaults by employees of the listed entity which has or may have an impact on the listed entity.
 10. Option to purchase Securities including any ESOP/ESPS Scheme.
 11. Giving Guarantees or Indemnity or becoming a surety, by whatever name called, for any third party.
 12. Granting Withdrawal, Surrender, Cancellation or Suspension of Licenses or Regulatory Approvals.
 13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority

PARA C

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.

PARA D

Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosure of 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.