



STRIDES PHARMA SCIENCE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION FOR DISCLOSURE TO STOCK EXCHANGES

1 PREAMBLE

Board of Directors of the Company have adopted this policy in line with the requirement of Regulation 30 of Listing Regulations to identify and disclose material events or information to the Stock Exchanges.

2 DEFINITIONS

- a) **“Act”** shall mean the Companies Act, 2013, and Rules framed thereunder, as amended from time to time.
- b) **“Board”** shall mean the Board of Directors of the Company.
- c) **“Company or Listed Company”** shall mean Strides Pharma Science Limited.
- d) **“Material Event/ Information”** means events/ information as specified under Clause 3 of this Policy.
- e) **“Deemed Material Events”** are events/ information that shall be disclosed to Stock Exchanges without any application of guidelines for materiality as specified in this Policy.
- f) **“Guideline Based Material Events”** are events/ information which shall be disclosed to Stock Exchanges upon application of guidelines for materiality as specified in Clause 4 of this Policy.
- g) **“Key Managerial Personnel or KMP”** shall mean KMP as defined under Section 2 (51) of the Act read with Regulation 2(o) of Listing Regulations.
- h) **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as amended from time to time.
- i) **“SEBI”** shall mean the Securities and Exchange Board of India.
- j) **“Senior Management”** shall mean Senior Management as defined under Regulation 16(1)(d) of Listing Regulations.

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, Listing Regulations or any other relevant legislations or law applicable to the Company.

3 TYPES OF EVENTS/ INFORMATION FOR DISCLOSURE

Events/ Information covered under this Policy shall be determined and disclosed by the Company in the manner set forth in this Policy.

- a) **Deemed Material Events** listed in **Annexure-A** shall be disclosed mandatorily without application of any guidelines of materiality in line with Schedule III – Part A, Para A of Listing Regulations.
- b) **Guideline Based Material Events** listed in **Annexure-B** shall be disclosed based on application of guidelines for materiality as specified in this Policy in line with Schedule III – Part A, Para B and Para C of Listing Regulations.
- c) **Any other Event and/ or Information** – Company shall disclose major developments that is likely to affect business of the Company e.g., emergence of new technologies, expiry of patents, any change of accounting policy that may have 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 holders of securities of the Company to appraise its position and to avoid establishment of a false market in such securities.
- d) Without prejudice to the generality of para (a), (b) and (c) above, Company may make disclosure of event/ information as specified by SEBI from time to time.

4 CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Materiality of an event/ information shall be determined on a case-to-case basis depending on facts and circumstances of such event/ information. Company shall apply the following criteria for determination of materiality of events/ information:

- a) **Omission of an event or information which is likely to:**
 - i. Result in discontinuity/ alteration of an event or information already available publicly; OR
 - ii. Result in significant market reaction, if the said omission comes to light, at a later date.

b) Omission of an event or information, whose value or expected impact in terms of value, exceeds the lower of the following:

- i. Two percent of turnover, as per last audited consolidated financial statements of the Company;
- ii. Two percent of net worth, as per last audited consolidated financial statements of the Company, except in case the arithmetic value of net worth is negative;
- iii. 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 Company.

c) In situations where criteria specified above are not applicable, an event or information may be treated as being material, if such event or information is considered material in the opinion of Board of the Company.

5 DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION AND DISCLOSURE

KMPs of the Company are severally authorized by the Board to:

- i. Review and assess an event or information that may qualify as ‘material’ and may require disclosure, on basis of facts and circumstances prevailing at a given point in time;
- ii. Determine appropriate time at which such disclosures are to be made to Stock Exchanges based on an assessment of actual time of occurrence of an event or information;
- iii. Review, finalize and make appropriate disclosures to Stock Exchanges under this Policy;
- iv. Disclose developments that are material in nature on a regular basis, till such time the event or information is resolved or closed, with relevant explanations;
- v. Provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information;
- vi. Disclose all events/ information with respect to subsidiaries, which are material for the Company;

- vii. Seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit;
- viii. *Suo moto* confirm/ deny/ clarify any reported event or information to the Stock Exchanges (including those in mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of provisions of Listing Regulations are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from reporting of such event or information.

In case the Company confirms the reported event/ information, it shall also provide the current stage of such event/ information.

6 TIMELINES FOR DISCLOSURE OF EVENTS/ INFORMATION

Company shall disclose all events/ information to Stock Exchanges as soon as reasonably possible, **but not later than the following:**

- 30 minutes from closure of meeting of Board of Directors in which decision pertaining to the event or information has been taken;
- 12 hours from occurrence of the event or information, in case the event or information is emanating from within the Company;
- 24 hours from occurrence of the event or information, in case the event or information is not emanating from within the Company;

Provided that disclosures with respect to certain events for which timelines have been specified in Part A of Schedule III of Listing Regulations shall be made within timelines prescribed thereunder.

In case disclosure to Stock Exchanges is made after prescribed timeline, Company shall, along with such disclosures provide an explanation for delay.

All events or information which has been disclosed to Stock Exchange(s) under this Policy shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter archived as per the archival policy of the Company.

In case an event or information is required to be disclosed by the Company in terms of provisions of Listing Regulations, pursuant to receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

7 DISCLOSURE REQUIREMENTS FOR CERTAIN TYPES OF AGREEMENTS BINDING LISTED COMPANY

All Shareholders, Promoters, Promoter Group entities, Related Parties, Directors, KMP and Employees of the Listed Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in Clause 5A of Para A of Part A of Schedule III to Listing Regulations, shall inform the Listed Company about the agreement, to which such a Listed Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements.

The Listed Company shall disclose all such agreements subsisting to the Stock Exchanges and on its website within the timelines as specified by SEBI.

The Listed Company shall also disclose the number of agreements that subsist as on the date mentioned in the Listing Regulations, their salient features, including the link to the webpage where complete details of such agreements are available, in the Annual Report.

8 DISSEMINATION OF THE POLICY

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

9 POLICY REVIEW

Board may make any amendments to this Policy from time to time.

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule or regulation, then such law, rule or regulation will take precedence over this policy and procedure until such time as this policy appropriately updated to conform to such law, rule or regulation.



10 CONTACT DETAILS

Contact details of KMPs authorised to determine materiality of events and/ or information under this Policy by the Board of Directors of the Company, are provided below:

Mr. Arun Kumar

Executive Chairperson & Managing Director

Contact Number: +91 80 6784 0118

Email id: investors@strides.com

Mr. Badree Komandur

Executive Director – Finance & Group CFO

Contact Number: +91 80 6784 0347

Email id: badree.komandur@strides.com

Ms. Manjula Ramamurthy

Company Secretary

Contact Number: +91 80 6784 0734

Email id: Manjula.r@strides.com

ANNEXURE – A

**EVENTS LISTED IN SCHEDULE III – PART A,
PARA A OF LISTING REGULATIONS**

Deemed Material Events which shall be disclosed **without any** application of guidelines for materiality as specified in Clause 3(a) of this Policy:

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 the whole of the undertaking(s) or subsidiary of the Listed Company, sale of stake in associate company of the Listed Company or any other restructuring.

Explanations: For the purpose of this sub-paragraph,

1) **The word 'acquisition' shall mean –**

- a) acquiring control, whether directly or indirectly; or,
- b) acquiring or agreeing to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –
 - i. the Listed Company holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company, or;
 - ii. there has been a change in holding from last disclosure made under sub-clause (i) of clause (b) of the Explanation to this sub-paragraph and such change exceeds 2% of total shareholding or voting rights in the said company.
 - iii. the cost of acquisition or price at which shares are acquired, exceeds the lower of the following:
 - o 2% of Turnover, as per last Audited Consolidated Financial Statements of the Company
 - o 2% of Net worth, as per last Audited Consolidated Financial Statements of the Company, except in case the arithmetic value of net worth is negative;

- 5% of the average of absolute value of profit or loss after tax, as per last three Audited Consolidated Financial Statements of the Listed Company.
- 2) **‘Sale or disposal of subsidiary’ and ‘sale of stake in associate company’ shall include –**
- a) 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 Company; OR
 - b) An agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of sale, exceeds the lower of the following:
 - 2% of Turnover, as per last Audited Consolidated Financial Statements of the Company
 - 2% of Net worth, as per last Audited Consolidated Financial Statements of the Company, except in case the arithmetic value of net worth is negative;
 - 5% of the average of absolute value of profit or loss after tax, as per last three Audited Consolidated Financial Statements of the Company.
- 3) **‘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, 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 Board of Directors:**
- Listed Company shall disclose to the Exchange(s), within 30 minutes of closure of 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 Company from stock exchange(s).

Provided that in case of Board meetings being held for more than one day, financial results shall be disclosed within thirty minutes of end of 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 Company), 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 Shareholders, Promoters, Promoter Group entities, Related Parties, Directors, KMP, Employees of the Listed Company or of its holding, subsidiary or associate company, among themselves or with the Listed Company or with 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 Company or impose any restriction or create any liability upon the Listed Company, shall be disclosed to Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Listed Company is a party to such agreements:

Provided that such agreements entered into by the Listed Company in 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 Company, 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 Company shall or shall not act in a particular manner.

6. Fraud/ defaults by the Listed Company, its Promoter, Director, KMP, Senior Management or subsidiary or arrest of KMP, Senior Management, Promoter or Director of the Listed Company, whether occurred in 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 interest or principal amount in full on the date when the debt has become due and payable.

Explanations:

- a) In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.
 - b) Default by a Promoter, Director, KMP, Senior Management or Subsidiary shall mean default which has or may have an impact on the Listed Company.
7. Change in Directors, KMP (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer.
 - 7A. In case of resignation of Auditor of the Listed Company, detailed reasons for resignation of Auditor, as given by the said Auditor, shall be disclosed by the Listed Company to Stock Exchanges as soon as possible, but not later than 24 hours of receipt of such reasons from Auditor.

7B. Resignation of Independent Director including reasons for resignation:

In case of resignation of an Independent Director of the Company, within 7 days from the date of resignation, following disclosures shall be made to stock exchanges by the Listed Company:

- i) The letter of resignation along with detailed reasons for resignation as given by the said director.
- ia) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of Board Committees, if any.
- ii) Independent Director shall, along with detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iii) Confirmation as provided by Independent Director above, shall also be disclosed by the Company to Stock Exchanges along with disclosures as specified in sub-clause (i) and (ii) above.

7C) In case of resignation of KMP, Senior Management, Compliance Officer or Director other than an Independent Director; letter of resignation along with detailed reasons for resignation as given by the KMP, Senior Management, Compliance Officer or Director shall be disclosed to Stock Exchanges by the Listed Company, within 7 days from the date that such resignation coming into effect.

7D) In case Managing Director or Chief Executive Officer of the Listed Company was indisposed or unavailable to fulfil requirements of the role in a regular manner for more than 45 days in any rolling period of ninety days, the same along with reasons for such indisposition or unavailability, shall be disclosed to 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 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 media by the Company.
- 13) Proceedings of Annual and Extraordinary General Meetings of the Listed Company.
- 14) Amendments to Memorandum and Articles of Association of Listed Company, in brief.
- 15) a) Schedule of Analysts or Institutional Investors meet at least 2 working days in advance (excluding the date of intimation and the date of meet) and presentations made by the Listed Company to such 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 recognized Stock Exchange(s), in the following manner:
 - (i) Presentation and Audio/ Video recordings shall be promptly made available on the website and in any case, before the next trading day or within 24 hours from conclusion of such calls, whichever is earlier;
 - (ii) Transcripts of such calls shall be made available on the website within 5 working days of the conclusion of such calls:
- 16) Corporate Insolvency Resolution Process (CIRP) of the Listed Company as Corporate Debtor under the Insolvency and Bankruptcy Code.

Following events in relation to the same shall be disclosed:

- a) Filing of application by 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 Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d) Public Announcement made pursuant to order passed by Tribunal under Section 13 of Insolvency and Bankruptcy Code;
- e) List of Creditors as required to be displayed by Corporate Debtor under Regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of Resolution Professional;
- g) Prior or post-facto intimation of meetings of Committee of Creditors;
- h) Brief particulars of invitation of Resolution Plans under Section 25(2)(h) of Insolvency Code in 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 Tribunal or rejection, if applicable;
- l) Specific features and details of Resolution Plan as approved by Adjudicating Authority under Insolvency and Bankruptcy Code, not involving commercial secrets, including details such as:
 - i. Pre and Post net-worth of the company;
 - ii. Details of assets of the company post CIRP;
 - iii. Details of securities continuing to be imposed on the companies' assets;
 - iv. Other material liabilities imposed on the company;
 - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - vi. Details of funds infused in the company, creditors paid-off;
 - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - viii. Impact on the investor – revised P/E, RONW ratios etc.;
 - ix. Names of the new Promoters, KMP, 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;
 - x. Brief description of business strategy.

- m) Any other material information not involving commercial secrets.
 - n) Proposed steps to be taken by incoming Investor/ Acquirer for achieving Minimum Public Shareholding;
 - o) Quarterly disclosure of the status of achieving Minimum Public Shareholding;
 - p) Details as to the Delisting plans, if any, approved in 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 Stock Exchanges by the Listed Company:
- a) Fact of initiation of Forensic Audit along with name of entity initiating such 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 Company along with comments of the management, if any.
- 18) Announcement or Communication through social media intermediaries or mainstream media by Directors, Promoters, KMP or Senior Management of the Listed Company, in relation to any event or information which is material for the Listed Company in terms of Regulation 30 of Listing Regulations and is not already made available in the public domain by the Listed Company.
- Explanation:** “Social Media Intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
- 19) Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Listed Company or its Directors, KMP, Senior Management, Promoter or Subsidiary, in relation to the Listed Company, 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 Company, quantifiable in monetary terms to the extent possible.

20) Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Listed Company or its Directors, KMP, Senior Management, Promoter or Subsidiary, in relation to the Listed Company, in respect of the following:

- a) suspension;
- b) imposition of fine or penalty;
- c) settlement of proceedings;
- d) debarment;
- e) disqualification;
- f) closure of operations;
- g) sanctions imposed;
- h) warning or caution; or
- i) 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 Company, quantifiable in monetary terms to the extent possible.

21) Voluntary revision of Financial Statements or the Report of Board of Directors of the Listed Company under Section 131 of the Companies Act, 2013.

ANNEXURE – B

**EVENTS OR INFORMATION LISTED IN
SCHEDULE III – PART A, PARA B OF LISTING REGULATIONS**

Guideline Based Material Events which shall be disclosed after application of guidelines for materiality as specified in Clause 4 of this Policy:

- 1) Commencement or any postponement in date of commencement of Commercial Production or Commercial Operations of any unit/ division
- 2) Any of the following events pertaining to the Listed Company:
 - 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.
- 6) Disruption of operations of any one or more units or division of the Listed 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 regulatory framework applicable to the Listed Company.
- 8) Pendency of any litigation(s) or dispute(s) or outcome thereof which may have an impact on the Listed Company.
- 9) Frauds or defaults by employees of the Listed Company which has or may have an impact on the Listed Company.
- 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.
