

CAPLIN POINT LABORATORIES LIMITED
POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

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1. INTRODUCTION:

This Policy for Determining Materiality of Events / Information, is framed in accordance with the requirements of Regulation 30(4)(ii) of the SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") (including any amendments thereto) for determining the materiality of the events / information of the Company and to make appropriate disclosures to the Stock Exchanges.

This Policy was approved and adopted by the Board of Directors of the Company at their meeting held on March 17, 2016. Following is the revised policy based on the amendments to SEBI Listing regulations effective from November 09, 2023.

2. DEFINITIONS:

2.1 "Board of Directors" or "Board" means the Board of Directors of Caplin Point Laboratories Limited, as constituted from time to time.

2.2 "Company" means Caplin Point Laboratories Limited.

2.3 "Key Managerial Personnel" (KMP) means:

- 2.3.1** Managing Director
- 2.3.2** Company Secretary
- 2.3.3** Whole Time Director
- 2.3.4** Chief Financial Officer

2.4 "Mainstream media" shall include print or electronic mode of the following:

- 2.4.1** Newspapers registered with the Registrar of Newspapers for India;
- 2.4.2** News channels permitted by Ministry of Information and Broadcasting under Government of India;
- 2.4.3** Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
- 2.4.4** Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case maybe, in jurisdictions outside India;

2.5 "Material Events / Information" means as defined under the Regulation 30 read with Schedule III of the SEBI Listing Regulations and any events or information determined as material as per the process defined in this Policy".

2.6 "Senior management" shall mean the offices and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer/ Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

2.7 "Stock Exchange" means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

3. MATERIALITY ASSESSMENT

3.1 Any information or event, whether positive or negative, should be regarded as "material" if it meets the qualitative and/ or quantitative criteria for materiality set out in this Policy. Materiality will be determined on a case-to-case basis depending on specific facts and circumstances relating to the information/event.

3.2 Events listed in Para A – Part A of Schedule III of SEBI Listing Regulations, shall be deemed to be material and shall be disclosed without application of materiality criteria

3.3 Events/information listed in Para B – Part A of Schedule III of the SEBI Listing Regulations, shall be considered material if it satisfies the materiality criteria stated below:

3.3.1 Qualitative Criteria

3.3.1.1 the omission of such event or information is likely to result in discontinuity or alteration of event or information already available publicly; or

3.3.1.2 the omission of such event or information is likely to result in significant market reaction if the said omission came to light at a later date;

3.3.2 Quantitative Criteria

If the value or the expected impact in terms of value of such event or information exceeds the lower of the following:

- 3.3.2.1** two percent of turnover, as per the Company's last audited annual consolidated financial statements;
- 3.3.2.2** two percent of net worth, as per the Company's last audited annual consolidated financial statements, except in case the arithmetic value of the net worth is negative;
- 3.3.2.3** five percent of the average of absolute value of profit or loss after tax, as per the Company's last three audited annual consolidated financial statements.

3.3.3 Criteria for Subsidiaries

All events/ information pertaining to Subsidiaries of the Company shall be treated as material if it is decided so by the Materiality Committee considering the factors specified in the SEBI Listing Regulations/ this Policy.

3.4 The events specified in Paragraph B of Part A of the Schedule III of the SEBI Listing Regulations have been classified as 'qualitative' and 'quantitative' as given below for the purpose of disclosure in terms of materiality:

S.No	Disclosure of events based on materiality	Criteria
1.	Commencement of a) Commercial production or b) Commercial operations of any unit/division	Quantitative
2.	Any postponement in the date of commencement of a) Commercial production or b) Commercial operations of any unit/division	Quantitative
3.	Change in the general character or nature of business brought about by any arrangements for a) Strategic b) Technical c) Manufacturing d) Marketing tie-up e) Adoption of new lines of business	Qualitative
4.	Closure of operations of any unit / division (entirely or piecemeal) that change the general character or nature of business	Quantitative

5.	Capacity addition	Quantitative
6.	Product launch	Qualitative
7.	Awarding orders or any amendment or termination thereof, not in the normal course of business	Quantitative
8.	Bagging / receiving contracts or any amendment or termination thereof, not in the normal course of business	Quantitative
9.	Agreements which are binding and not in normal course of business and revision(s) or amendment(s) or termination(s) thereof	Qualitative
10.	Disruption of operations of any one or more units or divisions of the Company due to natural calamity (earthquake, flood, fire etc.) force majeure or events such as strike, lockout etc	Quantitative
11.	Effect(s) arising out of change in the regulatory framework applicable to the Company	Quantitative
12.	Litigation(s) / dispute(s) / regulatory action(s) against the Promoters / KMPs/ Company with impact	Quantitative
13.	Fraud / defaults etc. by directors (other than key managerial personnel) or employees of Company	Qualitative
14.	Options to purchase securities including any ESOP/ESPS Scheme	Qualitative
15.	Giving of guarantees or indemnity or becoming a surety for any third party	Quantitative
16.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	Qualitative
17.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority	Quantitative
18.	Emergence of new technology	Qualitative
19.	Expiry of patent	Qualitative
20.	Change of accounting policy	Qualitative

3.5 Notwithstanding anything stated above, the Board of Directors of the Company may prescribe any other criteria, from time to time, to determine materiality of events/information under this Policy. However, such criteria shall not dilute the requirements prescribed under the SEBI Listing Regulations.

4. PROCESS FOR DETERMINING MATERIAL EVENT/ INFORMATION

4.1 The Company Secretary will be the custodian of the disclosure process.

4.2 This policy and Material events or information as stipulated under Para A and B of Part A of Schedule III of the SEBI Listing Regulations is circulated on periodical basis to all KMP / Senior Management Personnel/ Functional Heads / Plant Heads of the Company in order to report immediately and also to keep them alert, who are being considered as relevant employees for the purpose of this Policy.

4.3 Any event or information covered under Para A and B of Part A of Schedule III of the SEBI Listing Regulations, whether pertaining to the Company or its Subsidiaries, shall be brought to the notice of the Managing Director/ Chief Executive Officer or Chief Operating Officer or Company Secretary or Chief Financial Officer immediately by the concerned employees upon occurrence of the event or coming into possession of the information, with adequate supporting data / information.

4.4 A Committee comprising of the Managing Director/ Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Company Secretary ("Materiality Committee") shall determine whether the event or information so received is a material event or information that requires disclosure to the Stock Exchanges. Once an event/information is determined as material as per this Policy, the Company Secretary shall disclose the same as per the timelines

4.5 All relevant employees who comes across any reported event or information in the Mainstream Media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of SEBI Listing Regulations or as per this Policy are circulating amongst the investing public shall be brought to the notice of the Materiality Committee immediately.

5. TIMELINES FOR DISCLOSURE

5.1 Information relating to material events / information shall be disseminated to the Stock Exchanges where the Company is listed in the following manner:

5.1.1 30 Minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;

5.1.2 12 Hours from the occurrence of the event or information, in case the event or information is emanating from within Company;

5.1.3 24 Hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

5.2 In case the disclosure is made after the timelines specified under this regulations, the Company shall along with such disclosures provide as explanation for delay.

5.3 The Company shall disclose any material developments, regarding disclosure already made, on a regular basis till such time the event is resolved /closed, with relevant explanations.

5.4 Any disclosures under the SEBI Listing Regulations/ this Policy shall also be disclosed on the Company's website and such disclosures shall be hosted on the Company's website for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed in the website.

6. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This policy shall be periodically reviewed and updated by the Board/ Audit Committee.

**Last Updated on
09th November, 2023.**