

MEDICO REMDIES LIMITED

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POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT / INFORMATION

MEDICO REMEDIES LIMITED

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1. Preface

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with SEBI’s Circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015, the Board of Directors (the “Board”) of Medico Remedies Limited (the “**Company**”) has adopted this Policy by the resolution of Board passed at their meeting on 25th May, 2018 for determination of material events and information (“**Material Information**”) such that required information can be promptly disclosed to the stock exchanges, as required under applicable SEBI regulations.

2. Definitions

In this Policy unless the context otherwise requires

- i. “**Act**” means the Companies Act, 2013 and rules made thereunder, as amended from time to time
- ii. “**Board**” or “**Board of Directors**” shall mean the Board of Directors of Medico Remedies Limited, as may be re-constituted from time to time
- iii. “**Company**” means Medico Remedies Limited
- iv. “**Disclosure Committee**” shall mean Key Managerial Persons authorized by the Board of Directors of Company to determine the material events of the Company and disclose about the same to stock Exchanges accordingly.
- v. “**Financial Year**” shall have the same meaning described under the Act.
- vi. “**Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.
- vii. “**Material Information/Event**” shall mean information/event as prescribed under Clause 4 & Clause 5 of this Policy.
- viii. “**Net worth**” shall have the same meaning described under the Act
- ix. “**Normal course of business**”: A transaction shall be deemed to be in the normal course of business if it is entered in relation to provision of goods or services in which the Company regularly deals or where the transaction is in respect of goods or services in which the counter party normally deals and the Company repeatedly enters into such transactions for the purpose of its business or the transaction is necessary, normal and incidental to business.
- x. “**Policy**” means the Company’s Policy on Determining Materiality of any event / information.

xi. “**Turnover**” shall have the same meaning ascribed to it under the Act.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the Listing Regulations shall have the same meaning assigned therein.

3. **Authority**

The board has constituted a disclosure committee comprising of Mr. Haresh Mehta, Whole-time Director and Mr. Harshit Mehta, Managing Director of the Company.

4. **Roles and Responsibilities**

The Roles and Responsibilities of the committee shall include the following:

- a. To ensure compliance with the disclosure requirements under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and such other circulars as may be specified by SEBI in this regard;
- b. To take a view on the materiality of an event or on the price sensitivity of an event that qualifies for disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- c. To review and finalise the details to be disclosed. The contents of the disclosure shall be in line with the Regulations and SEBI circulars issued in this regard, and as may be amended from time to time. Provided that any confidential information which if disclosed is likely to put at risk, the business interest of the Company shall not be disclosed. The company to that extent shall make qualified disclosure to the stock exchange;
- d. To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any annexures and determine the materiality, appropriate time and contents of disclosure for such matter;
- e. To review the information in respect of the above specified events on periodical basis, as may be necessary and inform the stock exchanges (including withdrawal / cancellation of event); and
- f. To make necessary amendment(s) to the Policy as may be required from time to time.

5. **Determination of Materiality of any event/information**

- i. The materiality or otherwise of any information or event in terms of the listing regulations will be determined by the disclosure committee of the management.
- ii. The disclosure committee will also decide the appropriate period/stage at which disclosure is to be filed with the stock exchanges and details that may be filed.

6. **Guidelines for determining Materiality**

- i. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, ‘quantitative’ criteria will be applied.
- ii. The events or information which will be disclosed based on application of materiality criteria are given in **Annexure1**.

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- iii. In circumstances where ‘quantitative’ test may not be applicable or cannot be applied, a ‘qualitative’ or a ‘subjective’, criteria as under will be applied to determine materiality for which the following parameters needs to be considered:
- a) The omission of an event or information which is likely to:
 - result in a discontinuity or alteration of an event already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;
 - b) Any event or information having a significant risk to the reputation of the company
 - c) In the opinion of the disclosure committee, the event/information ought to be disclosed.
- iv. Only such impact which is direct (not derivative) and reasonably perceivable (not remote) and having a time horizon of 1-2 years shall be considered.

7. Deemed material events or information

Events or information specified in Para A of Part A of Schedule III to the Listing Regulations shall be deemed to be material events/information and will have to be disclosed irrespective of application of any quantitative or qualitative materiality thresholds as given in **Annexure II**.

8. Timing of disclosure

All material events/information will be disclosed as promptly as practicable as per the provisions of Regulation 30 of Listing Regulations read with SEBI’s circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015.

9. General

Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

10. Effective date

The effective date of the policy is 25th May, 2018.

11. Amendments to the Policy

Any subsequent amendment(s)/modification(s) in the listing regulations and /or other applicable laws in this regard shall automatically apply to this policy.

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 listing regulations.

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Annexure I

The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 4 of this Policy

Sr.No.	Event/Information	Threshold
1	Commencement or any Project.	Expected to contribute atleast 5% to the turnover during the previous financial year of the business division to which the product belongs. Impact exceeding 10% of net worth of the Company during previous financial year.
2	Change in the general character or nature of business brought about by arrangements for strategic, marketing tie-up, adoption of new lines of business or closure of operations of any Projects (entirety or piecemeal).	Impact exceeding 5% of turnover of the Company during previous financial year
3	Completion of Declared Project	As and when event occurs.
4	Acquisition of Land /Takeover/Joint Venture Development with /of any Company.	As and when event occurs.
5	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts (not in the normal course of business).	Consideration exceeding 10% of the net worth of the Company during previous financial year.
6	Disruption of operations of any one or more Projects due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Estimated impact of 25% of Company's investment in each Project. In case of receipt of valid legal notice from trade union /statutory authorities regarding strike / lockout, etc. resulting in complete closure of factory for any duration of time.
7	Effect(s) in the Balance Sheet/Profit & Loss statement arising out of change in the regulatory framework applicable to the Company.	Impact of 10% or more to the profit after tax as per the last audited Balance Sheet.
8	Litigation(s) / dispute(s) / regulatory action(s) with impact.	All litigations pertaining to the company, its directors/promoters/group companies/subsidiaries which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further the Board considers all other litigation pertaining to the company, its directors/promoters/group companies/subsidiaries which are above a claim amount equal to or exceeding Rs. 25 lakhs as material.

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9	Giving of guarantees or indemnity or becoming a surety for any third party.	Guarantees or indemnity or becoming surety for sum not less than 10% of the net worth of the Company during previous Financial Year.
10	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact exceeding 10% of the turnover as per the last audited Balance Sheet of the Company.
11	Any other information / event viz. major development that is 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.	As and when event occurs.

Notwithstanding anything stated above, the Disclosure Committee may apply a qualitative criteria for deeming an event/information to be material or in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably.

The Board of Directors is authorized to revise the aforementioned pre-defined monetary value as and when deem fit.

Annexure II:

Events 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/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,-

- a) acquiring control, whether directly or indirectly; or,
- b) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - 1) 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
 - 2) 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.
- c) 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.
- d) Revision in Rating (s)
- e) Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - 1) 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;
 - 2) any cancellation of dividend with reasons thereof;
 - 3) the decision on buyback of securities;
 - 4) the decision with respect to fund raising proposed to be undertaken
 - 5) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - 6) 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;

- 7) short particulars of any other alterations of capital, including calls;
 - 8) financial results;
 - 9) decision on voluntary delisting by the listed entity from stock exchange(s).
- f) 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.
 - g) Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
 - h) Change in directors, key managerial personnel (Managing Director, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 - i) Appointment or discontinuation of share transfer agent.
 - j) Corporate debt restructuring.
 - k) One time settlement with a bank.
 - l) Reference to BIFR and winding-up petition filed by any party /creditors.
 - m) 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.
 - n) Proceedings of Annual and extraordinary general meetings of the listed entity.
 - o) Amendments to memorandum and articles of association of listed entity, in brief.
 - p) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;