

# **TORRENT PHARMACEUTICALS LIMITED**

## **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

Revised on: 23<sup>rd</sup> July, 2024

### **I. BACKGROUND**

SEBI has vide its notification dated 2<sup>nd</sup> September, 2015 introduced SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which will be effective from 1<sup>st</sup> December 2015.

As provided in Regulation 30 (3) of the said Regulations, the listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for Materiality as specified in Regulation 30(4). It further provides that the listed entity shall frame a policy for determination of materiality, based on criteria specified in Regulation 30 (3), duly approved by its board of directors, which shall be disclosed on its website.

### **II. OBJECTIVE**

Torrent Pharmaceuticals Limited has adopted this Policy on Determination of Materiality of Events or Information (the “Policy”) to determine the materiality of events or information inter-alia based on the limits as set forth in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and for disclosure to Stock Exchange.

The Board had in its meeting held on 29<sup>th</sup> October, 2015, approved this Policy with effect 1<sup>st</sup> December, 2015. The Policy has been further revised on 30<sup>th</sup> January, 2019 and on 07<sup>th</sup> August, 2023. The Policy has been prepared in accordance with the applicable provisions of Listing Regulations and Companies Act, 2013 and rules made thereunder. Any subsequent amendment/modification in this regards under any of the provisions shall automatically apply to this Policy.

### **III. DEFINITIONS & INTERPRETATIONS**

In this Policy, unless the context otherwise requires:

- (a) “Act” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (b) “Board” shall mean the Board of Directors of Torrent Pharmaceuticals Limited.
- (c) “Company” shall mean Torrent Pharmaceuticals Limited.
- (d) “Events or Information” means events or information as prescribed under Para B of Part A of SCHEDULE III to the Listing Regulations.

- (e) “Listing Regulations” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (f) “Mainstream Media” will only cover the specific news sources that are set out in clause 1.1 of Part A – General Aspect of Industry Standards Note on verification of market rumours under Regulation 30(11) of Listing Regulations formulated by Industry Standards Forum.
- (g) “Other Information” means as prescribed under Para C of Part A of SCHEDULE III to the Listing Regulations.
- (h) “SEBI Regulations” would include all the acts, regulations, circular, notifications etc. issued by the Securities and Exchange Board of India from time to time.
- (i) "Stock Exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 on which Equity shares of the Company are listed.
- (j) “Subsidiary” shall mean a company shall be considered as Subsidiary if it falls within the criteria defined under Section 2(87) of the Act.

Any word used in this policy but not defined herein shall have the same meaning ascribed to it in the Act, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company. In case of any dispute or differences between this Policy and provisions of Act / Listing Agreement, the latter shall apply.

#### **IV. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

The following criteria, as per Regulation 30(4)(i) & 30(11) of the Listing Regulations, shall be considered based on which materiality of Events or Information will be determined:

- (a) Event or Information, the omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) Event or Information, the omission of which is likely to result in significant market reaction if the said omission came to light at a later date;
- (c) Event or Information, the omission of which, the value or the expected impact in terms of value exceeds the lower of the following:
  - 1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - 2) 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;
  - 3) 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 listed entity;
- (d) In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an Event or Information, which in the opinion of the Board is considered material.

- (e) The Company shall confirm, deny or clarify upon the material price movement as may be specified by the Stock Exchanges 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 are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four hours from the trigger of material price movement.

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

When the Company confirms within twenty four hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or pricing norms provided under Regulation 8 or Regulation 9 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or pricing norms provided under Regulation 19 or Regulation 22B of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 or any other pricing norms specified by the SEBI or the stock exchanges are applicable, then the effect on the price of the equity shares of the listed entity due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by the SEBI.

The Guidance on the criteria for determination of materiality of events / Information as issued by SEBI is available on [www.torrentpharma.com](http://www.torrentpharma.com).

## **V. PARAMETERS TO IDENTIFY MATERIAL BUSINESS OPERATIONS IN FOREIGN JURISDICTION**

The Company has identified the below parameters for determination of material business operations in foreign jurisdiction:

- Contribution of any Subsidiary exceeding 10% of the Company's consolidated Operating EBITDA in the immediately preceding financial year.

Based on the above parameter, the Company currently does not have any material business operations in Foreign Jurisdiction

## **VI. DETERMINATION OF OTHER INFORMATION WHICH IS MATERIAL**

The Chief Financial Officer (“CFO”) of the Company, in consultation with Chairman of the Company is authorised to take a view on the materiality of Other Information 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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.

## **VII. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS OR INFORMATION OR OTHER INFORMATION OF SUBSIDIARIES OF THE COMPANY**

In case the Events or Information relates to the Subsidiary of the Company, the materiality threshold as defined in Clause IV of the Policy should apply. In case of Other Information relating to the Subsidiary of the Company, the CFO of the Company, in consultation with Chairman of the Company is authorised to take a view on the materiality of such Other Information that qualifies for disclosure.

## **VIII. GENERAL**

- (a) The CFO of the Company is authorised to take a view on whether the Events or Information falls within the materiality threshold as mentioned under Para IV of this Policy which qualifies for disclosure under Regulation 30(5) of the Listing Regulations.
- (b) CFO, in consultation with Chairman of the Company may, at his option, also disclose to the Stock Exchanges the Events or Information, which is below the materiality threshold as defined in Clause IV of the Policy.
- (c) This Policy shall be disclosed on the website of the Company [www.torrentpharma.com](http://www.torrentpharma.com).
- (d) The Chairman of the Company is authorized to make such changes to the Policy:
  - (i) as are not changing the substance of the said Policy, or
  - (ii) as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out and/or implementing the said Policy

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