

AUROBINDO PHARMA LIMITED

POLICY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

1. Objective

In terms of Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) the Board of Directors (the “Board”) of Aurobindo Pharma Limited (the “Company”) has adopted this policy at its meeting held on November 6, 2015, for determination of materiality of events (“**Material Information**”) so that such events / information can be promptly disclosed to the stock exchanges, as per the Listing Regulations.

2. Effective Date

This Policy is effective from December 1, 2015, and amended on May 31, 2021, May 27, 2023, July 6, 2023 and February 6, 2025

3. Terms and Definitions

In this Policy, unless the context otherwise requires:

- a. “**Board of Directors**” shall mean the Board of Directors of the Company.
- b. “**Chief Financial Officer**” shall mean the person heading and discharging the finance function of the Company as disclosed by it to the recognised stock exchange(s) in its filing under the Listing Regulations.
- c. “**Key Managerial Personnel**” or “**KMP**” means Chief Executive Officer and Managing Director, Whole-time Director, Chief Financial Officer, and Company Secretary of the Company.
- d. “**Mainstream Media**” shall have the same meaning ascribed under the Listing Regulations read along with related SEBI Circulars, Notifications, Guidance Note and Industry Standard Note (‘ISN’) issued by Industry Standards Forums (‘ISF’), as amended from time to time.

All other words and expressions used but not defined in this policy shall have the same meaning assigned to them in the Listing Regulations or the Securities and Exchange Board of India Act, 1992, or the Companies Act, 2013 or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.

4. Purpose

The purpose of this policy to enable the Key Managerial Personnel consisting of the Managing Director, Wholetime Director, the Chief Financial Officer and the Company Secretary & Compliance Officer of the Company, to determine the materiality of any information, classify it as a Material Information, decide the appropriate time at which disclosure is to be filed with the stock exchanges and details that may be filed in the best interest of present and potential investors.

5. Material event or information

The information covered by this Policy shall include “information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

- a) Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the Listing Regulations will be disclosed based on application of materiality criteria.
- b) Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the Listing Regulations will be disclosed without any application of the guidelines for materiality.

c) 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.

d) Also, an event or information can be treated as being material if so in the opinion of the Board of Directors of the Company, such an event or information is material and the same shall be disclosed to stock exchanges.

e) In case an event occurs or information is available with the Company, which has not been indicated in Para a to d above, but which may have material effect on the Company, the Company is required to make adequate disclosures in regard thereof.

f) Without prejudice to the above paras, the Company shall make disclosure of event or information as specified by the SEBI or stock exchanges from time to time.

In some cases where guidelines to ascertain materiality, as prescribed above cannot be applied, then the KMPs in such cases shall frame their opinion on a case-to-case basis, based on specific facts and circumstances relating to the information / event and while doing so, it may consider, among other factors, the following factors:

- Whether there would be any direct or indirect impact on the reputation of the Company; or
- Whether non-disclosure can lead to the creation of false market in the securities of the Company; or
- Whether there would be a significant impact on the operations or performance of the Company.

Provided that any confidential information which if disclosed, is likely to put at risk the business interest of the Company, the same shall not be disclosed. The Company to that extent, shall make qualified disclosure to the stock exchanges.

g) All the disclosure to the stock exchanges with respect to events for which timelines have been specified in the Listing Regulations shall be made within such timelines.

h) In case the disclosure is made after the timelines specified under the Listing Regulations, the Company shall, along with such disclosure, provide an explanation for the delay.

i) The Company shall, with respect to the disclosures referred to in the Listing Regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

j) The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

k) The Company shall provide specific and adequate replies to all queries raised by stock exchanges with respect to any event or information for its dissemination.

l) In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the 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.

6. Persons responsible for disclosure

The Board of Directors of the Company have authorised the KMPs as defined under Clause 3(c) of the Policy to determine the materiality of an event or information and to make appropriate disclosures to the stock exchanges as also on the Company's website on a timely basis. The KMPs shall also be empowered to:

- a) Seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- b) To call for information from all its internal stakeholders.

The KMPs shall have the following responsibilities for determining the material events or information:

- i) To put in place an adequate mechanism for collecting relevant information and events on a real-time basis, to the extent possible, to enable appropriate disclosures under this Policy. The mechanism should include the responsibility of all internal stakeholders to report all events and information to the KMP.
- ii) To review and assess an event or information that may qualify as 'material' and may require disclosure to the stock exchanges, on the basis of facts and circumstances prevailing at a given point in time.
- iii) To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- iv) To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- v) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for event or information.

7. Assessment of materiality

Materiality will be determined on a case-to-case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determining materiality of an event or information:

a. The omission of an event or information which is likely to:

- (i) result in a discontinuity or alteration of an event or information already available publicly; or
- (ii) result in significant market reaction if the said omission came to light at a later date;

b. The omission of an event or information, whose value 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 Company; or
- (ii) Two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last audited consolidated financial statements of the Company; or
- (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.

Accordingly, any transactions exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purposes.

c. In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

8. Timing of an Event or Information

The Company may be confronted with the question as to when an event/information can be said to have occurred.

In certain instances, the answer to the above question 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., the answer to the above question would depend upon the timing when the Company 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.
- ii) In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company 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.

9. Obligations of Internal Stakeholders and KMPs for Disclosure

a. The Senior Management employees (consisting of directors, KMPs and functional heads) of the Company and its subsidiaries shall be severally responsible in promptly bringing to the notice of the KMPs of the Company, any event/ information which will satisfy the materiality criteria under the Policy and the Listing Regulations. The Senior Management employees of the Company and its subsidiaries may additionally identify and nominate other internal stakeholder(s) from time to time to identify any potential material event or information and report the same to the KMPs of the Company. The Senior Management employees and other identified internal stakeholder(s) of the Company and its subsidiaries shall promptly inform forthwith any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the Listing Regulations to the KMP(s) of the Company upon occurrence, with adequate supporting data/ information, to facilitate a prompt and appropriate disclosure to the stock exchanges.

b. 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.

10. Rumour Verification

The Company shall confirm, deny or clarify, upon material price movement in the scrip of the Company (as per the framework issued by the SEBI/ stock exchanges as amended from time to time), any reported event/ information in the mainstream media which is not general in nature, and which indicates that rumour of an impending specific event/ information is circulating amongst the investing public and also provide the current stage of such event or information.

Such disclosure will be made within the timelines prescribed under the Listing Regulations, circulars/ notifications issued by SEBI/ stock exchanges in this regard and in accordance with the ISN on verification of market rumours issued by ISF, under Regulation 30(11) of the Listing Regulations, as amended from time-to-time.

The Company is considered to have material business operations in foreign jurisdiction, where it generates more than 10% of its annual consolidated revenue as per the last audited financial statements.

11. Updates to Stock Exchanges / Website Updation

The Company shall update all disclosures made under the Listing Regulations to the stock exchanges on its website and shall be continued to be hosted on the website of the Company for a minimum period of five years and thereafter archived as per the document Archival policy of the Company.

12. Compliance Officer

The Compliance Officer for the purpose of complying with the provisions of the Listing Regulations shall be the Company Secretary of the Company.

13. General

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

14. Review and Amendment

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.
