



Divi's Laboratories Limited

Policy on Determination of Material Events / Information

1. Preamble

In terms of Clause 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors (The "Board") of **Divi's Laboratories Limited** (the "Company") has adopted the following policy for determination of materiality of events / information based on the criteria that has been adopted as part of this policy and disclosure of material events / information which are necessary to be disclosed to the Stock Exchanges.

2. Objective and Scope

The objective of this policy is to determine the materiality of events and information based on the criteria specified in Listing Regulations and ensure timely and adequate dissemination of information to the Stock Exchanges.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updating of website the details of information / events which are considered material which may have a substantial bearing on the performance of the Company and which may materially affect the share price of the company.

This Policy will be applicable to the Company with effect from 1 December, 2015. The Board may review and amend this policy from time to time.

3. Definitions

"Board of Directors or Board" means the Board of Directors of Divi's Laboratories Limited, as constituted from time to time.

"Company" means a Company incorporated under the Companies Act, 1956 or under any other act prior to or after Companies Act, 1956.

"Policy" means Policy on Determination of Material Events / Information.

"Material Events" means any information which relates to the Company and which, if published is likely to materially affect the share prices of the company



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and more specifically includes events that are specified in Para A of Part A of Schedule III of the Listing Regulations.

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Key Managerial Personnel” (KMP) of the Company includes Managing and Executive Directors, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI's Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

4. Policy on disclosure of events / information

The Company shall disclose the events / information which are deemed to be material and having a substantial bearing on the performance and on the share prices of the Company, to the stock exchanges as per the time span specified against each category.

i. Events or Information that is to be disclosed without any application of the criteria for materiality are specified in category A and B:

CATEGORY A

Events / information which shall be disclosed to the stock exchanges as soon as possible not later than **24 hours** from the occurrence of event / information:

- Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring), or sale or disposal of units, divisions or subsidiary of the Company or any other restructuring.
- 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.
- Revision in ratings.



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- Agreements (viz. shareholder agreements, joint venture agreements, family settlement agreements (to the extent that it impacts management and control of the Company), agreements/treaties/contracts with media companies) which are binding and not in normal course of business, revisions or amendments and terminations thereof.
- Fraud / default by promoters or key managerial personnel and arrest of KMP or promoter.
- Change in Directorships, key managerial personnel, Auditor and Compliance Officer
- Appointment and discontinuance of share transfer agent
- Corporate debt restructuring
- One time settlement with bank.
- Reference to BIFR and winding-up petition filed by any party / creditors.
- 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 Company.
- Proceedings of the Annual and Extra General Meetings.
- Amendments to Memorandum and Articles of Association.
- Schedule of Analyst or institutional investor meet and presentations on financial result made by the Company to analysts or institutional investors.

Note: If the Management is not in a position to inform the stock exchange within 24 hours of the decision taken at the Board Meeting, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

CATEGORY B

Events / information which shall be disclosed to the stock exchanges within **30 minutes of the closure of the Board Meeting**:

- Declaration of Dividend and / or cash bonuses recommended or declared and other information pertaining to them;
- Cancellation of dividend with reasons thereof;
- Buyback of shares;
- Fund raising proposed to be undertaken;
- Increase in capital by issue of bonus shares;
- 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;
- Short particulars of any other alterations of capital, including calls;



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- Financial results;
- Voluntary delisting from stock exchanges.

ii. Events or information that is to be disclosed based on materiality principle are specified in category C:

a. Criteria for disclosure of an event / information

The following criteria will be applicable for determination of materiality of event or information.

- i. The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly.
- ii. The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- iii. In case where the criteria of an event / information does not fall in the first two categories, but still in the opinion of the board of directors are considered material.

b. Time lines for disclosure of an event/ information (when an event/information can be said to have occurred)

The occurrence of an event / information depends either on the stage of discussion, negotiation or approval from Board of Directors.

In other instances where there is no such discussions, negotiation or approval required viz. in case of natural calamities, disruptions etc, the timing depends on when the Company became aware of the event/information.

CATEGORY C

- Commencement or postponement of the date of commercial production or operation of any unit / division.
- Change in the general character or nature of business brought about by arrangements for strategic, technical manufacturing or marketing tie-up, new line of business or closure of operations of any unit / division.
- Capacity addition or product launch.
- Awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/contracts not in the normal course of business.



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- Agreements (viz. loan agreements (as a borrower) or any other agreements which are binding and not in normal course of business) and revisions or amendments or terminations thereof.
- Disruption of operation of any one or more units due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- Effects arising out of change in regulatory framework applicable to the Company.
- Litigation / dispute / regulatory actions with impact.
- Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
- Options to purchase securities including ESOP/ESPS scheme
- Giving of guarantees or indemnity or becoming a surety for any third party
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- 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.

5. Authority for determination of Materiality of events / information

The Chairman & Managing Director, Executive Directors, the Chief Financial Officer and the Company Secretary are authorised to determine the materiality of the event / information based on their functional expertise; and make timely and adequate disclosures to the stock exchanges, subject to such information being placed prior to or at the immediate Board Meeting held after the said information being made public.

Name of persons for determining materiality:

Name of the Official	Designation	Email_id
Dr. Murali K. Divi	Chairman & Managing Director	cs@divislabs.com
Mr. N.V. Ramana	Executive Director	cs@divislabs.com
Mr. Kiran S. Divi	Whole-Time Director	cs@divislabs.com
Ms. Nilima Motaparti	Whole-Time Director	cs@divislabs.com

Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, India

CIN: L24110TG1990PLC011854; Tel: 91-40-2378 6300, Fax: 91-40-2378 6460

E-mail: mail@divislabs.com, Website: www.divislabs.com



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Mr. L. Kishore Babu	Chief Financial Officer	kishore@divislabs.com
Mr. M. Satish Choudhury	Company Secretary & Compliance Officer	cs@divislabs.com

Contact number of KMP's for the above purpose is +91 40 23786300.

The Authorized Persons shall have the following powers and responsibilities for determining the material events or information:

- a. To determine the event/ information having a substantial bearing on the performance of the Company and on the share price of the Company, that needs to be disclosed to the stock exchanges.
- b. 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.
- c. To make disclosures updating material developments on regular basis, till such time the event is resolved/closed, with relevant explanations.
- d. To disclose all events or information with respect to the subsidiaries which are material for the Company.
- e. To provide specific and adequate reply to all queries raised by stock exchanges with respect to any events or information.
- f. To make adequate disclosure of an event/ information which are not explicitly defined in the Listing Regulations, but may have material effect on the Company.

6. Website Updating / Updates to stock exchanges

The Company shall update all disclosures made under the regulations to the stock exchanges on its website and shall continue to host on the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

7. Policy Review

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.



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8. Board's Approval

This policy was approved by the Board of Directors at its meeting held on 31st October, 2015 and reviewed on 10th August, 2019.

Pursuant to Regulation 30(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the contact details of the officials to make disclosures to Stock Exchanges on which the Company's Securities are traded:

Name of persons for disclosure of materiality:

Name of the Official	Designation	Email_id
Mr. L. Kishore Babu	Chief Financial Officer	kishore@divislabs.com
Mr. M. Satish Choudhury	Company Secretary & Compliance Officer	cs@divislabs.com

Contact number of KMP's for the above purpose is +91 40 23786300.