

JYOTHY LABS LIMITED

POLICY FOR REPORTING AND DETERMINATION OF MATERIAL EVENTS

POLICY FOR REPORTING AND DETERMINATION OF MATERIAL EVENTS

1. Introduction:

The “Policy for reporting and determination of material events” (the Policy) is framed pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations), 2015 (Listing Regulations) as amended from time to time. The Policy is intended to disseminate such information which is material in opinion of the Board of Directors (the Board) and in terms of the Listing Regulations for the purpose of protecting and safeguarding the interest of the investors and the Company, thereby enabling and promoting greater transparency.

2. Purpose & Scope of the Policy:

The Companies for the purpose of meeting their growing needs for raising funds to meet its objectives and to carry on its business activities on a broader scale raise monies from the public at large, through issuing shares, debentures, depository receipts and such other form of Securities wherein such investors become the stakeholders and in certain cases the owners of the Company.

It is essential that timely, adequate and accurate disclosure of information is made on an ongoing basis to enable the investors to make well-informed investment decisions. It is also important that there is uniformity in disclosures to ensure compliance in letter and spirit.

The Board of Jyothy Labs Limited (the Company) has adopted the Policy and the Board may amend the Policy from time to time.

3. Definitions:

“Board of Directors” or **“the Board”** means the Board of Directors of Jyothy Labs Limited, as constituted from time to time.

“Company” means Jyothy Labs Limited, a Company incorporated under the provisions of the Companies Act, 1956.

“Key Managerial Personnel” or **“KMP”** means key managerial personnel as defined in sub-

section (51) of section 2 of the Companies Act, 2013.

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

“Material Events” means events as specified in Regulation 30 of the Listing Regulations read with applicable circulars and notifications as may be issued and upon the occurrence of which the Company shall make disclosures to stock exchange(s) and host such disclosures on its website, wherever required.

“Policy” means this Policy for Reporting and Determination of Material Events.

“promoter” and **“promoter group”** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

“Regulator” means the Securities and Exchange Board of India (SEBI).

4. Policy:

Regulation 30 of the Listing Regulations casts responsibility on the Board of the Company to disclose material events or information. Further, the Company is required to promptly inform the stock exchange(s) of all information having bearing on its performance/operation, price sensitive information or any action that shall affect payment of interest or redemption of non convertible debt securities. Accordingly, the Board laid down the following policy in this regard:

- a. The Company shall make disclosures of any events as are specified in Para A of Part A of Schedule III of the Listing Regulations, irrespective of their materiality, as such events are deemed to be material.
- b. The Company shall make disclosures of any events or information which, in the opinion of the Board or the persons authorised in this regard, is material including but not limited to such events as are specified in Para B of Part A of Schedule III of the Listing Regulations.

- c. The Company shall make disclosures of any events as are specified in Para B of Part A of Schedule III of the Listing Regulations which are material based on application of the guidelines for materiality specified later.
- d. The Company shall make disclosures of events as specified in Part B of schedule III to the Listing regulations.

5. Disclosure of Events or Information:

- a. The events or information required to be disclosed under Part A of Schedule III of the Listing Regulations are attached as Annexure I.
- b. In addition to the disclosures mentioned in Annexure I, in case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, 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.
- c. The Company shall disclose all events or information with respect to subsidiaries which are material for it.
- d. In case where an event occurs or information is available with the Company, which has not been indicated in Part A or Part B of Schedule III, but which may have material effect on it, the Company shall make adequate disclosure in this regard.
- e. The Board shall first disclose to stock exchange(s) of all events or information, which are material, as soon as reasonably possible and in any case not later than the following:
 - thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;
 - twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
 - twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company
 - disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.
 - in case the disclosure is not made within the prescribed timelines, the Company shall, along with such disclosure provide the explanation for the delay.
- f. The disclosure with reference to events specified in sub-para 4 of Para A of Part A of Schedule III of Listing Regulations (Refer Annexure I) shall be made within 30 minutes of

the conclusion of the Board meeting.

- g. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations.
- h. The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) and such disclosures shall be hosted on its website for a minimum period of five years and thereafter as per its archival policy as disclosed on its website.
- i. The Company shall provide specific and adequate reply to all queries raised by stock exchanges with respect to any events or information, which the latter shall disseminate as soon as practicable.
- j. The Company may on its own initiative, confirm or deny any reported event or information to stock exchange(s).
- k. This Policy will be disclosed on the Company's website <https://www.jyothylabs.com/>.

6. Policy for determination of materiality of event:

The Board has formulated the Policy based on the following criteria as laid down under Sub regulation 4 of Regulation 30 of the Listing Regulations:

- a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- b. 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;
- c. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
 - 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;
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/ information may be treated as being material if in the opinion of the Board, the event/ information is considered material.

7. Parameters for determination of materiality:

The Company shall consider the impact of any individual event in terms of following parameters for determination of materiality of an event:

- a. Turnover of the Company- Standalone & Consolidated, Quantity & Value.
- b. Scope of operations, continuity of business and business plans of the Company.
- c. Product portfolio/ mix of the Company.
- d. Profit and profitability of the Company.
- e. Capital expenditure
- f. Cash flow position of the Company.
- g. Net worth of the Company.
- h. Borrowings and Debt equity ratio.
- i. Credit rating and credit worthiness of the Company.
- j. Possible effect on market price of its securities.
- k. Intellectual Property Rights (IPRs) and Goodwill of the Company.

8. When an event/ information shall be said to have occurred is specified below:

In certain instances, occurrence of event/ information 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.

In the former, the events/ information can be said to have occurred upon receipt of approval of the Board e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both the Board and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

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 entity 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 Company.

9. Authority and responsibility:

In order to ensure that the Company complies with the disclosure obligations under Regulation 30 of the Listing Regulations, the Board has designated, Ms. M. R. Jyothy, Chairperson and Managing Director, Mr. Pawan Kumar Agarwal, Chief Financial Officer and Mr. Shreyas Trivedi, Head – Legal & Company Secretary of the Company (i.e. Key Managerial Personnel) to have joint and several authority to decide;

- a. On the occurrence of event or availability of information,
- b. On the materiality of an event where necessary,
- c. Appropriate time at which disclosure is to be made, and
- d. Details of the disclosures to be made

Subject of course to provisions of the Listing Regulations and the Policy of the Company in this regard.

However, Chief Financial Officer, Company Secretary, Vice President(s) and Head of Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must inform to Ms. M. R. Jyothy, Chairperson and Managing Director and/ or Other Whole Time Directors of the Company any event/ information which may possibly be material or of which the Responsible Officer is unsure as to its materiality, immediately after a Responsible Officer becomes aware of it. The Company Secretary shall file disclosures to the Stock Exchange as per directives of the MD and/ or other Whole Time directors of the Company.

Where any of the Key Managerial Personnel authorised above are not certain about materiality of event/ information, they may refer the matter for external legal advice.

The contact details of the aforesaid authorised Key Managerial Personnel are provided hereunder:

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Ms. M. R. Jyothy Chairperson and Managing Director Email ID: jyothy@jyothy.com Contact: 022-66892800	Mr. Pawan Kumar Agarwal Chief Financial Officer Email ID: pawan.agarwal@jyothy.com Contact: 022-66892800	Mr. Shreyas Trivedi Head – Legal & Company Secretary Email ID: shreyas.trivedi@jyothy.com Contact: 022-66892800
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10. Dissemination of disclosure by Stock Exchange

The disclosures as per Policy given above shall be made to the stock exchange(s) promptly and accurately and with due authorisation, such that present and potential investors are able to take informed decision relating to their investment in the Company. The stock exchange(s) are expected to disseminate such information on its website.

In case the stock exchange(s) is of the opinion that disclosure made is not adequate, the stock exchange(s) may seek further clarification/ explanation from the Company. The stock exchange(s) will then disseminate all disclosures/ correspondence/ clarification from the Company on its website.

ANNEXURE I

1. Para A of Part A of Schedule III to the Listing Regulations: Events deemed to be material:

Sr. No.	Material Events (As per Para A of Part A of Schedule III)
1.	Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.
2.	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.
3.	New Rating(s) or Revision in Rating(s).
4.	<p>Outcome of Meetings of the Board: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:</p> <ul style="list-style-type: none"> a) 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; b) any cancellation of dividend with reasons thereof; c) the decision on buyback of securities; d) the decision with respect to fund raising proposed to be undertaken e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched; f) 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; g) short particulars of any other alterations of capital, including calls; h) financial results; i) decision on voluntary delisting by the listed entity from stock exchange(s): Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.
5.	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family

Sr. No.	Material Events (As per Para A of Part A of Schedule III)
	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.
5. A	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:</p> <p>Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.</p>
6.	Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad
7.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
7. A	In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.
7. B	Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

Sr. No.	Material Events (As per Para A of Part A of Schedule III)
	<p>i. The letter of resignation along with detailed reasons for the resignation as given by the said director.</p> <p>(ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.</p> <p>ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.</p> <p>iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.</p>
7. C	<p>In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.</p>
7. D	<p>In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).</p>
8.	<p>Appointment or discontinuation of share transfer agent.</p>
9.	<p>Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:</p> <p>(i) Decision to initiate resolution of loans/borrowings;</p> <p>(ii) Signing of Inter-Creditors Agreement (ICA) by lenders;</p> <p>(iii) Finalization of Resolution Plan;</p> <p>(iv) Implementation of Resolution Plan;</p> <p>(v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.</p>
10.	<p>One time settlement with a bank.</p>
11.	<p>winding-up petition filed by any party / creditors.</p>
12.	<p>Issuance of Notices, call letters, resolutions and circulars sent to shareholders,</p>

Sr. No.	Material Events (As per Para A of Part A of Schedule III)
	debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13.	Proceedings of Annual and extraordinary general meetings of the listed entity.
14.	Amendments to memorandum and articles of association of listed entity, in brief.
15.	<p>(a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors. Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.</p> <p>(b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:</p> <ol style="list-style-type: none"> i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier; ii. the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:
16.	<p>The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:</p> <ol style="list-style-type: none"> a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default; b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default; c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable ; d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code; e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016; f) Appointment/ Replacement of the Resolution Professional;

Sr. No.	Material Events (As per Para A of Part A of Schedule III)
	<ul style="list-style-type: none"> g) Prior or post-facto intimation of the meetings of Committee of Creditors; h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016; i) Number of resolution plans received by Resolution Professional; j) Filing of resolution plan with the Tribunal; k) Approval of resolution plan by the Tribunal or rejection, if applicable; l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets. m) Any other material information not involving commercial secrets.} n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS; o) Quarterly disclosure of the status of achieving the MPS; p) The details as to the delisting plans, if any approved in the resolution plan.
17.	<p>Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:</p> <ul style="list-style-type: none"> a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.
18.	<p>Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.</p>
19.	<p>Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <ul style="list-style-type: none"> (a) search or seizure; or (b) re-opening of accounts under section 130 of the Companies Act, 2013; or

Sr. No.	Material Events (As per Para A of Part A of Schedule III)
	<p>(c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:</p> <ul style="list-style-type: none"> i. name of the authority; ii. nature and details of the action(s) taken, initiated or order(s) passed; iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; iv. details of the violation(s)/contravention(s) committed or alleged to be committed; v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
20.	<p>Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <ul style="list-style-type: none"> (a) suspension; (b) imposition of fine or penalty; (c) settlement of proceedings; (d) debarment; (e) disqualification; (f) closure of operations; (g) sanctions imposed; (h) warning or caution; or (i) any other similar action(s) by whatever name called; <p>along with the following details pertaining to the actions(s) initiated, taken or orders passed</p>
21.	<p>Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.</p>

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2. Para B of Part A of Schedule III to the Listing Regulations: Events shall be disclosed upon application of the guidelines for materiality:

Sr. No.	Material Events (As per Para B of Part A of Schedule III)
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2.	Any of the following events pertaining to the listed entity: (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (b) adoption of new line(s) of business; or (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
3.	Capacity addition or product launch.
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5.	Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6.	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8.	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9.	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10.	Options to purchase securities including any ESOP/ESPS Scheme.
11.	Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12.	Granting, withdrawal , surrender , cancellation or suspension of key licenses or regulatory approvals.
13.	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

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3. 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 listed entity 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.

4. Without prejudice to the generality of para (1), (2) and (3) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.