

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

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NEULAND POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

(as originally approved at the Board Meeting held on October 29, 2015, modified by the Board at their meeting held on November 10, 2022, November 7, 2023, May 10, 2024 and February 10, 2025)

1. Legal Framework

The Neuland Policy on Determination of Materiality of Events or Information (the “Policy”) is aimed at providing guidelines to the Management of Neuland Laboratories Limited (the “Company”), to determine the materiality of events or information, which could affect the investment decisions, and ensure timely and adequate dissemination of information to the stock exchanges.

This Policy has been formulated in accordance with the current guidelines laid down by the Securities Exchange Board of India (“SEBI”), under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 (“SEBI Disclosure Circular”) read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 and other relevant circulars, clarifications and guidelines issued by SEBI (“Applicable Laws”).

2. Definitions

Unless the context otherwise requires, all words and expressions used and not defined in this Policy, shall have the same meaning as defined in the SEBI Listing Regulations, and if not defined therein, as per the Companies Act, 2013, the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996 and/or the Rules and Regulations made thereunder, or any other Applicable Laws or any statutory modification or re-enactment thereto, as the case may be.

3. Objective

The objective of this Policy is to serve as a guiding charter to the Management to ensure that timely and adequate disclosure of material events or information are made to the investor community by the Company under the Applicable Laws, to enable them to take well-informed investment decisions with regard to the securities of the Company.

4. Determination of Materiality

Information relating to material events shall be promptly disseminated by the Company to the Stock Exchanges. Any information or event should be regarded as “material” if it meets the quantitative and/or qualitative criteria for materiality set out in this Policy. Materiality of events/information shall be determined on a case-to-case basis depending on the facts and circumstances pertaining to the event or information. The following criteria shall be applicable for determining materiality of event or

information:

- i. Events/information specified in Para A of Part A of Schedule III of the SEBI Listing Regulations (**"Para A Events"**) shall be deemed to be material and the Company shall make disclosure of such events/information without applying any test of materiality.
- ii. Events/information specified in Para B of Part A of Schedule III of the SEBI Listing Regulations shall be disclosed by the Company, provided such events/information are considered material upon applying the following qualitative and quantitative criteria:
 - a. The omission of such event or information is likely to result in discontinuity or alteration of event or information already available publicly; or
 - b. The omission of such event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
 - c. The omission of such 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 latest audited consolidated financial statements of the Company; or
 - ii. 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; 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.

In terms of the SEBI Disclosure Circular, the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value/figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.
 - d. In case where the criteria specified in point (a), to (c) is not applicable, an event or information may be treated as being material if, in the opinion of the Board of Directors of the Company, the event or information is considered material.
- iii. The Company shall, within 24 hours, disclose any other event/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 Company to appraise its position and to avoid the establishment of a false market in such securities.

- iv. The details to be provided to the Stock Exchanges while disclosing Para A Events and Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular, read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 and other relevant circulars and the Applicable Laws.
- v. Without prejudice to the above, the Company shall make such disclosures of event/information as specified by SEBI from time to time.
- vi. In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the SEBI 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.

5. Guidelines on occurrence of an event / information

The occurrence of material event/information could be either emanating from within or outside the Company by the Company's own accord or for reasons not in the hands of the Company. Such events/information can be categorized as under:

- (i) events/information which are in the stages of discussion, negotiation or approval; and
- (ii) events/information where there is no such discussion, negotiation or approval required, viz. in case of natural calamities, disruptions etc., where the disclosure shall depend on when the Company becomes aware of the event/information.

In respect of the events/information under 5(i), such events/information can be said to have occurred upon receipt of approval of the Board of Directors, e.g., further issue of capital by rights issuance and in certain events/information after receipt of approval of both the Board of Directors and the 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 case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under Regulation 30 of the SEBI Listing Regulations.

In respect of the events/information under 5(ii), 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 or her duties. The term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include Promoters of the Company.

6. Disclosure of events / information

- i. Events/information identified as 'material' in terms of this Policy and the Applicable Laws shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

- a. thirty minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting.

Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the Company:

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

- ii. The Company shall make disclosures updating the material developments pertaining to any material event on a regular basis, till such time the event is resolved/closed, with relevant explanations.

- iii. The Company shall also disclose all events or information with respect to its subsidiaries, if any, which are material for the Company.
- iv. All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company, who have entered into agreements among themselves 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 Company or impose any restriction or create any liability upon the Company, unless entered into in the normal course of business, shall inform the Company about such agreements within two working days of entering into such agreements or signing an agreement to enter into such agreements and shall disclose the same to the Stock Exchanges within the timelines prescribed under the SEBI Disclosure Circular read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 and other relevant circulars.

7. Authorization for determination of materiality and disclosures

Authority for determination: The following personnel are hereby severally authorized by the Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges (“Authorized Person(s)”):

- a. Vice Chairman and Chief Executive Officer
- b. Vice Chairman and Managing Director
- c. Chief Financial Officer
- d. Company Secretary & Compliance Officer

The Authorized Person(s) are hereby severally authorized to report and clarify any event or information to the Stock Exchange(s).

Authority for disclosure: In addition to the above, the Company Secretary & Compliance Officer is authorized for the purpose of making disclosures to the Stock Exchange(s) pursuant to the aforesaid Regulation 30 of the SEBI Listing Regulations and other Applicable Laws.

8. Obligations of Internal Stakeholders to determine material events

- i. The members of the Core Management Committee and/or Senior Management Personnel and/or officers of the Company, in terms of this Policy, are severally authorized and required to identify the event / information that is material in nature, in line with the provisions of this Policy.

- ii. Upon identification, the details of such event / information shall be promptly communicated to the Authorized Person(s) for determination of the materiality of the event / information.

9. Disclosure on the website of the Company

All such events or information which has been disclosed to the Stock Exchanges under the SEBI Listing Regulations shall be made available on the Company's website within the timelines specified under the SEBI Disclosure Circular and/or the Applicable Law. Such events or information shall be placed on the website of the Company for a minimum period of five years.

The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

10. Amendment

The Board of Directors of the Company reserve the right to amend or modify this Policy in whole or in part, as may be required, at any point of time. Any statutory amendments that may affect this Policy, i.e., the SEBI Listing Regulations and other Applicable Laws shall be deemed to have been included in this Policy and the Company shall be governed by it.

In the event of any conflict between the provisions of this Policy and the Applicable Laws, the Applicable Laws shall prevail over this Policy.