

SANDU PHARMACEUTICALS LIMITED

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POLICY ON DISCLOSURE OF MATERIAL EVENTS / INFORMATION

I. Statutory Mandate

The Board of Directors (The “Board”) of Sandu Pharmaceuticals Limited (the “Company”) has adopted the following policy and procedures with regard to disclosure of material events which are necessary to be disclosed to the stock exchanges based on criteria as may be deemed necessary and has been adopted as part of this policy. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company with effect from 1st December 2015 is in terms of Clause 30 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

II. Policy Objective and Scope

To determine the events and information which in the opinion of the Board are Material and needs to be disclosed to the stock exchange as per the time span hitherto defined.

The purpose of this documents to present a high level policy statement for Sandu Pharmaceuticals Limited regarding disclosure of material events / information in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“LODR”)

The policy is intended to define Sandu Pharmaceuticals Limited’s policy on disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in Sandu Pharmaceuticals Limited in making decisions and undertaking regarding its responsibility about making public such events / information which may materially affect the performance of the company and thereby the share prices of the company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation of website the details of information / events which are considered material or not but which may have a bearing on the performance of the Company and which may materially affect the share prices of the company.

- III. All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI’s LODR, 2015 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.

IV. Definitions

“Audit Committee or Committee” means Audit Committee constituted by the Board of Director of the Company, from time to time under provisions of SEBI LODR, 2015, RBI Act and/or the Companies Act 2013.

“Board of Directors or Board” means the Board of Directors of Sandu Pharmaceuticals 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.

“Independent Director” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under Schedule IV of the Companies Act, 2013 and the SEBI's LODR, 2015 entered into with the stock exchange.

“Policy” means Disclosure of material events.

“Material Events” are those that are specified in Para A of Part A of Schedule III of the LODR

“Other Events” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III as specified in sub-regulation(4).

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

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

V. Policy

- i. Based on the recommendation of the Audit Committee of Directors or Suo Moto the Board of Directors of the Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock exchanges as per the time span specified against each category

CATEGORY A

Events considered Material in view of the Board of Directors which needs to be disclosed to the stock exchanges within **24 hours** of the decision taken at the Board Meeting are:

- Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring), or sale or disposal of unit(s), division(s) or subsidiary of the listed entity 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

- Shareholder agreement, JV, Family settlement agreement, agreement / treaty / contract with media companies
- Fraud / default by promoters or key managerial personnel and arrest of KMP or promoter
- Reference to BIFR and winding-up petition filed by any party / creditors
- Revision in ratings

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 / Decisions considered Material in view of the Board of Directors which needs to be disclosed to the stock exchanges within **30 minutes of the closure of the Board Meeting** are:

- 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
- Alteration of capital
- Financial results
- Voluntary delisting from stock exchanges

CATEGORY C

Other Events / Decisions not considered Material in view of the Board of Directors which however, needs to be disclosed to the stock exchanges within **as soon as it is possible but in any case not later than thirty days from the day of occurrence of the event** which are:

- 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
- 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 listed entity
- Proceedings of the Annual or Extra General Meeting
- Amendments to Memorandum and Articles of Association

CATEGORY D

Miscellaneous Events / Decisions not considered Material in view of the Board of Directors which however, needs to be disclosed to the stock exchanges within **as soon as it is possible when the necessary information is ready to be published** which are:

- Schedule of Analyst or institutional investor meet and presentation
- 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 new product launch
- Awarding, bagging / receiving
- Agreements for loan not in the normal course of business
- Disruption of operation of any one or more units due to natural calamity
- Effects arising out of change in regulatory framework applicable to the listed entity
- Litigation / dispute / regulatory action(s) with impact
- 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
- Emergence of new technologies
- Expiry of patents
- Change in accounting policy
- Any other information that may be deemed necessary jointly and severally by the KMPs of the Company who would consider that it is necessary for the holders of the securities of the listed entity to appraise its position and to avoid the establishment of a false market
- The Board may in its discretion also authorise the KMPs to disclose such events, information or material that in its wisdom may be necessary for the Members of the exchange to know the information

The Management shall periodically bring to the attention of the Board of Directors of the Company, all information, events or materials which in its opinion has to be brought to the attention of the Members of the Stock Exchanges.

6. Criteria for disclosure of events / 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.

7. Authority for determination of materiality of events/information

The Key Managerial Personnel (KMPs) consisting of the Managing Director, Chief Financial Officer and the Company Secretary are hereby jointly and severally authorised to determine whether the event / information is material or not and in turn about its time line for disclosure based on the category of information as specified above 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

8. Website updation /Updates to stock exchange

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

The Compliance Officer, of the Company, shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company

9. Authorisation to KMPs to suo moto accept/deny reported events or information

The Key Managerial Personnel (KMPs) consisting of the Managing Director, Chief Financial Officer and the Company Secretary are hereby jointly and severally authorised to suo moto accept / deny any report event or information, which has been unauthorised made public by media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumors amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting

10. Compliance officer

The Compliance Officer for the Purpose of complying with the provisions of LODR, 2015 shall be the Company Secretary of the Company.

11. 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

12. Board Approval

This policy was approved by the Board of Directors at its meeting held on **13th February 2015**

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POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

1. LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Sandu Pharmaceuticals Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined). This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time. This Policy will be applicable to the Company effective 01st December 2015.

2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

3. INTRODUCTION

- a) "Act" means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable
- b) "Board of Directors" means the Board of Directors of the Company.
- c) "Company" means Sandu Pharmaceuticals Limited.
- d) "Key Managerial Personnel" means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

- e) "Listing Regulations" means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) "Policy" means this policy, as amended from time to time.
- g) "SEBI" means the Securities and Exchange Board of India.
- h) "Rules" means the rules made under the Companies Act, 2013
- i) "Stock Exchange(s)" means BSE Limited and the Ahmedabad Stock Exchange of India Limited, where the equity shares of the Company are listed.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Quantitative criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- (a) exceeds ten per cent of the consolidated gross turnover, or
- (b) exceeds ten per cent of the consolidated net worth;

whichever is lower.

Qualitative criteria would mean an event/ information:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (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; or
- (c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

6. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY

The Company shall disclose major developments that are 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.

7. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under: (a) depends upon the stage of discussion, negotiation or approval; and (b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information. In respect of the events under

7(a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors 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 respect of the events under

7(b), 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. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

8. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)"):

- a. Managing Director
- b. Chief Financial Officer
- c. Company Secretary

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

9. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations / Act or statutory

enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

11. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company

ARCHIVAL POLICY

TITLE:

This Policy shall be called 'Archival Policy'

COMMENCEMENT:

This Policy shall be effective from

OBJECTIVE:

- a. This Policy is framed in accordance with the requirement under Regulation 30(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).
- b. The Company is required to disclose the policy on its website

DEFINITIONS:

- a) "Board" means the Board of Directors of Sandu Pharmaceuticals Limited.
- b) "Company" means Sandu Pharmaceuticals Limited.
- c) "Policy" means this Policy, as amended from time to time.
- d) "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

POLICY

- a. The Company shall disclose on its website under " _____ " section under the heading "Shareholder Information" all such events or information ("disclosures") which are required to be disclosed to the stock exchanges under Regulation 30 read with Schedule III of the Listing Regulations.
- b. The disclosures made to the stock exchanges shall be hosted on the Company's website for a period of five years from the date of initial posting.

- c. The disclosures shall thereafter be archived under the heading "Archives" and shall be retained on the Company's website for such period as may be decided by the Managing Director from time to time, subject to applicable law.

AMENDMENTS

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

AUTHORITY TO DETERMINE MATERIALITY OF AN EVENT OR INFORMATION AND FOR DISCLOSURES TO STOCK EXCHANGE(S)

Details of the Key Managerial Personnel who are severally authorised to determine materiality of an event or information and make disclosures to the stock exchange(s) pursuant to Regulation 30(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. Shri. Umesh Bhaskar Sandu- Managing Director
Address: Plot No 25,26,29 & 30
Pilerne Industrial Estate, Marra,
Bardez Goa 403511
Email Id : umesh.sandu@sandu.in
Tel No: +91 8326715001
2. Shri Nikesh Shah-Chief Financial Office
Address: Plot No 25,26,29 & 30
Pilerne Industrial Estate, Marra,
Bardez Goa 403511
Email Id: cfo@sandu.in
Tel No:+91 0223284402
3. Ms Pratika Shenvi Dessai-Company Secretary and Compliance Officer
Address: Plot No 25, 26, 29 & 30
Pilerne Industrial Estate, Marra,
Bardez Goa 403511
Email Id: corp.sec@sandu.in
Tel No: +91 8326715017