

Biocon Limited	Policy for determination of materiality of Events and Information to be disclosed	Version no:	4.0
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		Prepared by/date :	Secretarial dept./ 1.12.2015
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POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURES

INTRODUCTION

Biocon being a public listed entity is obligated to comply with the disclosure requirements under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (“SEBI Listing Regulations”) and is committed to full and fair disclosure of material information to the public.

The Board of Directors of Biocon Limited (the “Company”) has adopted the Policy for determination of Materiality of Events and Information to be disclosed to stock exchanges as per Regulation 30 read with Para B of PART A of Schedule III of the Listing Regulations.

This policy is primarily intended to specify the criteria based on which the event or information would be considered as material for disclosure to the stock exchanges.

BASIC PRINCIPLES GOVERNING DISCLOSURES

The policy aims to execute the following principles:

- a. Disclosure of material information /event promptly without any delay.
- b. Ensure disclosures are adequate, accurate and explicit and presented in simple language.
- c. Ensure disclosure provided to stock exchanges and investor are not misleading and there is no misrepresentation.

DESIGNATED KMP'S

The Board shall from time to time authorise one or more Key Managerial Persons, who shall be known as “Designated KMPs” for the purpose of determining materiality of an event or information for the

purpose of making disclosures to the stock exchanges and their contact details shall be made available on website (**Annexure - 3**) and to the stock exchanges.

MANNER OF DISCLOSURE

The disclosure shall be made as soon as reasonably possible and not later than 24 hours from occurrence of event/information.

- Matters requiring approval of Board, on receipt of approval of Board.
- Certain events on receipt of Board and Shareholders approval.
- Price sensitive information shall be disclosed on receipt of approval of the Board pending shareholders' approval.
- With reference to any force majeure or natural calamity events that has occurred creating an impact, then immediately on becoming aware of the event / information.

EVENTS AND BASIC CRITERIA CONSIDERED FOR DETERMINATION OF MATERIALITY

For the avoidance of doubt, events listed in Para A of Part A of Schedule III (**Annexure - 1**), of the SEBI Listing Regulations shall be disclosed without application of the criteria listed below.

The Company shall consider the following criteria for events specified in Para B of Part A of Schedule III (**Annexure -2**) for determining the materiality of disclosure pursuant to this policy

Quantitative threshold- For the purpose of assessing whether a particular transaction or the amounts involved in that transaction are "material" the following information will also be considered

1. The consideration involved in the transaction as a percentage of Biocons' annual revenue or net worth or profit;
2. Whether the transaction is in the ordinary course of business;
3. Whether the transaction represents a significant shift in Biocons' strategy;
4. Whether the transaction is an exit from, or entry into, a significant line of business.

The above threshold shall be determined on the basis of annual consolidated financial statements of the Company as per last audited financial year.

Qualitative criteria – Non-disclosure of such event that would result in discontinuity or alteration of event or information already available in the public. Non-disclosure of an event that would likely result in significant market reaction, if the said omission came to light at a later date. Any information which related directly to indirectly to a listed entity and which if published is likely to materially affect the price of shares of the listed entity. The event and information, in the opinion of the Board is considered as price sensitive/ material for the business operation /performance of the Company.



The Company shall disclose any unreasonable delay in regulatory approvals, any adverse findings by regulators having an impact on the performance of the Company or on the price of shares.

Further, the Company shall also disclose all material events or information with respect to subsidiaries which are material for the Company.

1. Receipt of any approval from the concerned regulatory authorities in the US or Europe shall be disclosed to the stock exchanges.
2. Receipt of product approval in any other ICH country (other than US/ Europe covered in Point 1) if such approval is the first approval for that product in any ICH country (including US/ Europe) and any subsequent approval shall be disclosed only if it is material as per this policy.

Any regulatory development/ action (positive or negative) that can have material impact on future operations and financials of the Company or the Group including its ability to continue to perform its normal business operations shall be disclosed.

AMENDMENTS AND UPDATES

The Board periodically shall review this Policy and shall also 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. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

Annexure -1

Events or Information that are to be disclosed without application of Materiality Guidelines listed in the Policy.

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation: - For the purpose of this sub-para, the word 'acquisition'

shall mean: -

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
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. Revision in Rating(s);
4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - 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. h) financial results;
 - i. i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family 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;

6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter;
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;

7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

7B. Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:

- I. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the Company to the stock exchanges.
 - 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.
 - III. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.
8. Appointment or discontinuation of share transfer agent;
 9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - (i) Decision to initiate resolution of loans/borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.
 10. One time settlement with a bank;
 11. Reference to BIFR and winding-up petition filed by any party / creditors;
 12. 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;
 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. (a) Schedule of analysts or institutional investors 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.

(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:

- 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:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 1, 2021 and mandatory with effect from April 1, 2022.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
- 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;
 - 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, including details such as;
 - i. Pre and Post net-worth of the company;
 - ii. Details of assets of the company post CIRP;
 - iii. Details of securities continuing to be imposed on the companies' assets;
 - iv. Other material liabilities imposed on the company;
 - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;

- vi. Details of funds infused in the company, creditors paid-off;
- vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
- viii. Impact on the investor – revised P/E, RONW ratios etc.;
- ix. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
- x. Brief description of business strategy.

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. 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:

- 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.

ANNEXURE -2

Events or Information that are to be disclosed based on Materiality Guidelines listed In the Policy

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) 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. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
13. 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.

Annexure 3

The Board has severally authorised the following Key Managerial Personnel (KMP) for the purpose of determining materiality of events and making disclosures to stock exchange(s):

S. No	Name	Designation	Email ID and Contact no
For Biocon Limited Related matters:			
1	Ms. Kiran Mazumdar Shaw	Executive Chairperson	kiran.mazumdar@biocon.com Tel: 080-2808-2808
2	Mr. Siddharth Mittal	Managing Director and CEO	siddharth.mittal@biocon.com Tel: 080-2808-2808
3	Mr. Indranil Sen	Chief Financial Officer	Indranil.sen@biocon.com Tel: 080-2808-2808
For Biocon Biologics Limited Related matters:			
1	Ms. Kiran Mazumdar Shaw	Executive Chairperson	kiran.mazumdar@biocon.com Tel: 080-2808-2808
2	Dr. Arun S Chandavarakar	Managing Director	arun.chandavarkar@biocon.com Tel: 080-2808-2808
3	Mr. MB Chinappa	Chief Financial Officer	mb.chinappa@biocon.com Tel: 080-2808-2808
