

## **JHS SVENDGAARD LABORATORIES LIMITED**

### **MATERIALITY POLICY**

This Policy has been formulated and approved by the Board of Directors in concurrence with Audit Committee of the Company in accordance with SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended and re-enacted from time to time.

This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“LODR Amendments”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“SEBI Disclosure Circular”). The policy aims to achieve the following objectives:

#### **Determination of Materiality Criteria:**

1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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;
3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - a) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
  - b) statements of the listed entity;
  - c) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
  - d) 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 listed entity

In terms of the SEBI Disclosure Circular, if 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.



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4. In case where the criteria specified in sub-clauses (a), (b) and (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 listed entity, the event or information is considered material.
5. 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.
6. Without prejudice to the generality of para (A), (B) and (C) above the listed entity may make disclosures of event/information as specified by the Board from time to time.

#### **Timelines for intimation to Stock Exchanges-**

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the Listing Regulations as soon as reasonably possible and in any case not later than the following:

- (i) 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;
- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

#### **GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION & ITS TIMELY DISCLOSURE**

7.1 The occurrence of material events/information could be either emanating from within or outside the listed entity by the Company's own accord or for reasons 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 disrupting operations etc., it would depend upon the timing when the company became aware of the event/information.



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In respect of the events under 7.1(a), the 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 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. Approvals other than final approvals, such as in-principle approvals, exploratory approvals etc. will not require disclosure under this Code.

In respect of the events under 7.1 (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.

### **Amendments/ Modifications**

Any subsequent amendments/ modifications in the Listing Regulations and/ or applicable laws in this regard shall automatically apply to this Policy without any further act by the Board of Directors of the Company and the Executive Director – Finance & Control and Chief Financial Officer or Company Secretary and Compliance Officer of the Company shall be severally authorized to give effect to such changes in the Policy, from time to time.

### **Reporting**

Any transaction, event or information relating to the Company that might fall within the Scope, as specified above, is required to be reported immediately by the Relevant Employees of the Company to the below Authorised Personnel(s):

**Authorised Personnel(s) :** Managing Director/Company Secretary and Compliance Officer/Chief Financial Officer /Joint Chief Financial Officer

### **Contact Details : JHS Svendgaard Laboratories Limited**

Corporate office- B - 1/E-23, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110044



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