

**Policy for Dissemination of Information and  
Determining Materiality of Information & Events  
for reporting to the Stock Exchanges**

**Zota Health Care Limited**

This Policy shall be called "Policy for Determining Materiality of Information / Events for reporting to the Stock Exchanges".

The policy is framed pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("the Regulations") from 1<sup>st</sup> December, 2015 ("Effective Date") and will replace the Policy for Dissemination of Information to the Stock Exchanges pursuant to the Listing Agreement.

## **I Objective**

The Objectives of the Policy are to:

1. enable the investors to make well-informed investment decisions
2. take a view on the Materiality of an event that qualifies for disclosure under "the Regulations";
3. to authorize the Key Managerial Personnel to determine the materiality of an event or information and to make appropriate disclosures to the Stock Exchanges.

## **II Disclosure of Events / Information**

The Company shall disclose to the Stock Exchange information on a continual and regular basis of events and developments on various matters. These may be divided into:

- Prior intimation
- Mandatory Disclosure of Event
- Disclosure of Event based on materiality

## **III Prior Intimation to the Stock Exchanges**

1. The Company shall give prior intimation to the Stock Exchanges about the meeting of the Board of Directors at which meeting any of the following proposals are to be considered at least two working days in advance, excluding the date of the intimation and date of the Meeting:
  - a. Proposal for buy back of securities;
  - b. Proposal for voluntary delisting by the Company from the stock exchange(s);
  - c. Fund raising by way of further public offer, rights issue, American Depository Receipts / Global Depository Receipts / Foreign Currency Convertible Bonds, qualified institutions placements, debt issue, preferential issue or any other method and for determination of issue price.
  - d. Intimation shall also be given of any Annual General Meeting or Extra Ordinary General Meeting or postal ballot that is proposed to be held for obtaining a shareholder approval for further fund raising indicating type of issuance;

- e. Declarations / recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend;
  - f. The proposal for declaration of bonus securities.
2. The intimation regarding the meeting of the Board of Directors at which the quarterly, half yearly and annual financial results are to be considered shall be given at least five days in advance excluding the date of the intimation and the date of the meeting of Board of Directors.
3. The Company shall also give prior intimation to the Stock Exchange(s) at least eleven working days before any of the following proposal is placed before the Board of Directors:
  - a. Any alteration in the form or nature of any of its securities that are listed on the Stock Exchange or in the rights or privileges of the holders thereof
  - b. Any alteration in the date on which, the interest on debentures, or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.
4. The Company shall also give at least seven working days (excluding the date of intimation and the record date) to the Stock Exchanges regarding fixing of the record date/ book closure dates and such other matters as may be required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### **IV Disclosure**

##### **I. Mandatory Disclosure of Event**

1. The Company shall promptly notify the Stock Exchanges upon occurrence of the events and developments with respect to matters required to be notified pursuant to the Regulations and in particular in respect of all matters listed in Para A of Part A of Schedule III read with Circular No CIR/CFD/CMD/4/2015 dated 9th September 2015 (annexed herewith and collectively marked as per Annexure A as "Event Based Disclosure"), and such other information as may be required to be disclosed to the Stock Exchange from time to time under these Regulations or under any other regulations.

##### **2. Disclosure of Event based on Materiality :-**

The Company shall make disclosure of events specified in Para B, C and D of Part A of Schedule III read with Circular No CIR/CFD/CMD/4/2015 dated 9th September 2015 (annexed herewith and collectively marked as per Annexure B as "Disclosure of Event based on Materiality") after considering the criteria for determination of materiality of event/information and based on the limits prescribed under this policy.

3. In addition to the matters listed in Annexure A above, the Company shall also disclose to the Stock Exchanges any other event / information which would have a material bearing on the operational / financial performance of the Company or otherwise materially impact the Company.
4. The Company shall disclose events/ information with respect to its subsidiaries which materially impact the operations/ performance of the Company.
5. The disclosure shall include material facts of the matter at the time of occurrence of event, subsequent developments if any and upon cessation of the event.
6. The listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s):

## **V Timing for Disclosure**

1. The Company shall ensure that dissemination of information of all events shall be first communicated to all the Stock Exchanges and thereafter to the investors/media.
2. The Company shall disclose within 30 minutes of the close of the board Meeting, the outcome of the decision of the Board of directors with respect to the following matters:
  - a. Financial results;
  - b. Dividends and /or cash bonus recommended or declared and the date on which the dividend shall be paid and the passing/ skipping of dividend;
  - c. Cancellation of dividend with reasons thereof;
  - d. Buyback of securities;
  - e. Fund raising proposed to be undertaken;
  - f. Increase in capital by issue of bonus shares including the date on which such bonus shares shall be credited/ dispatched;
  - g. Reissue of forfeited shares / 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 or privileges or benefits to subscribe to;
  - h. Particulars of any other alteration of capital including calls;
  - i. Voluntary delisting from the Stock Exchanges;

Such other information as may be required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 or by the Stock Exchange from time to time.

3. All event based information shall be first disclosed to the Stock Exchanges as soon as it occurs and not later than twelve hours from the occurrence of the event or information in case the event or information is emanating from within the Company.

4. All event based information shall be first disclosed to the Stock Exchanges as soon as it occurs and not later than twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity.

5. An event / information can be said to have occurred when the Company has become aware of the event / information or as soon as the Company becomes aware of the event / information or as soon as the Key Managerial Personnel has or ought to have reasonably come into possession of the information in the course of the performance of his duties.

6. An event or information when required to be disclosed by the Company in terms of the provisions of this regulation, 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.

7. The 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 there is a delay from above specified timelines in communicating the event/information to the Stock Exchanges, the Company shall also provide explanations for the delay.

## **VI Criteria for determining materiality of event**

The Company shall inform the Stock Exchange of events and developments which are price sensitive in nature or which have a bearing on the performance / operations of the Company or could otherwise substantially impact the company.

In applying the materiality test the Board shall take into account the following:

- a) Whether the non reporting of an event or information would result in the discontinuity or alterations of the event or information already available in public domain;
- b) whether the omission of an event or information is likely to result in a significant market reaction if such event or information became public knowledge at a later date;
- c) whether the information is likely to be of use to a reasonable investor as basis for his investment decisions. Any event which in the opinion of the Board is material from a governance point of view and ought to be disclosed to the Stock Exchanges.
- d) whether the omission of an 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 last audited consolidated financial statements of the Company;
- 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;
- 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.

Only such impact which is direct, reasonably perceivable and not remote, quantifiable and having a short term horizon of 1-2 years, shall be considered.

Notwithstanding anything stated above, the Authorized KMP may apply qualitative criteria for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably.

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 Authorized KMP, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023

An event /information shall be considered material where the impact or potential impact of such event / information exceeds 5% of the Net Sales or 10% of the net worth of the Company whichever is lower, based on the consolidated audited financial statements of the Company for the immediately preceding Financial Year.

The above materiality criteria is only to serve as a guiding reference and the final decision with regard to materiality of an event would vest in the Key Managerial personnel so authorized by the Board of Directors herein.

## **VII Persons authorized to decide on the materiality of an event / information for the purpose of making disclosure to the Stock Exchanges**

The Board has authorized the Mr. Himanshu Zota, Whole-time Director or Mr. Ashvin Variya, Company Secretary & Compliance Officer of the Company and in his absence Mr. Viral Mandviwal, Chief Financial Officer (CFO) to take a view on the materiality of an event having regard to the aforesaid all Material Events / Information which were required to be disclosed to the Stock Exchanges have been informed.

Contact details of the above stated officer shall be disclosed on the separate section of the website.

## **VIII Other Provisions**

- i. The Company shall provide to the Stock Exchanges in respect such information concerning the Company as the Stock Exchanges may reasonably require in connection with the disclosure of events.
- ii. The Company may on its own accord confirm or deny any reported event to the Stock Exchanges.
- iii. In the event of any conflict between the provisions of this Policy and the Companies Act, 2013, the Regulations and/or any other statutory enactments and rules, the provisions of such Companies Act, 2013, the SEBI (Listing Obligations and disclosure Requirements) Regulations 2015 and/or any other statutory enactments, rules etc shall prevail over this Policy.
- iv. The Company shall disclose on its website all such events or information which has been disclosed to the Stock Exchanges under this Regulation. Such disclosures shall be hosted on the website of the Company for a minimum period of five years.
- v. This Policy shall stand amended / modified to the extent so occasioned by any amendment / modification of the SEBI Regulations

**Above policy on materiality of events has been amended and approved by Board of Directors in its meeting held on July 18, 2023.**

## Annexure — A

### Mandatory Disclosure of Event

Pursuant to Para A of Part A of Schedule III read with Circular No C1R / CFD/ CMD/ 4/ 2015 dated 02<sup>nd</sup> September 2015 of the Stock Exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015

The following shall be events / information, upon occurrence of which the Company shall make disclosure to stock exchange(s):

**A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

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 Company 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 Company 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-pars 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 Company 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; financial results;
- h) decision on voluntary delisting by the Company 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 settlement agreement(s) (to the extent that it impacts management and control of the Company), 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.

Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

- 6. Appointment or discontinuation of share transfer agent.
- 7. Reference to BIFR and winding-up petition filed by any party / creditors

7A. 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.

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

- I. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities 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 listed entities to the stock exchanges along with the detailed reasons as specified in sub clause (i) above
- 8. One time settlement with a bank.
  - 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. 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 Company.
11. Proceedings of Annual and extraordinary general meetings of the Company.
12. Amendments to memorandum and articles of association of the Company, in brief.
13. (a) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors '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
14. The following events in relation to the corporate insolvency resolution process (CIRP) of the company 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;
- a) Number of resolution plans received by Resolution Professional;
- b) Filing of resolution plan with the Tribunal;
- c) Approval of resolution plan by the Tribunal or rejection, if applicable;
- d) Specific features and details of the resolution plans 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) 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 B**

### **Disclosure of Event based on Materiality**

Pursuant to Para B, C and D of Part A of Schedule III read with Circular No CIR / CFD/ CMD/ 4/ 2015 dated 09<sup>th</sup> September 2015 of the Stock Exchanges pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.3

#### **B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):**

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 Company 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 Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
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.

C. 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 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.

D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by the Board from time to time.