

Policy on Materiality of Events and Information

1. PREAMBLE:

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations), a listed Company is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges.

Accordingly, the Board of Directors have formally adopted the following written policy for ensuring compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. OBJECTIVE:

The objective of the Policy is to determine materiality of events or information of the Company and disclosure of events or information to Stock Exchanges in compliance with the SEBI Listing Regulations and to ensure good corporate governance.

3. DEFINITIONS:

"Board of Directors" or "Board" means the Board of Directors of Procter & Gamble Health Limited (Formerly Merck Limited), as constituted from time to time.

"Capacity addition" shall mean addition or set-up of new production line(s)

"Company" means Procter & Gamble Health Limited (Formerly Merck Limited).

"Compliance officer" shall mean the Company Secretary of the Company

"Disposal" shall mean transfer or relinquishment of property

"Key licenses" shall mean licenses which shall have impact on the going concern of the Company;

"Key Managerial Personnel" mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

"Material Event" or "Material Information" shall mean such event or information as set out in the Annexure A or Annexure B, as may be determined in terms of Clause 5.2 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.

"Normal Course of Business" shall have the same meaning as "Ordinary Course of Business" as construed for the purpose of Section 188 of the Companies Act, 2013.

"Policy" means this Policy on criteria for determining materiality of events or information and as may be amended from time to time.

"Product launch" shall mean launch of new brands or new product categories and shall not include launch of new variants in existing brand or product categories

"Promoter" means a promoter as defined under clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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“SEBI Listing Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“Stock Exchange (s)” means the stock exchange(s) where the Securities of the Company are listed;

“Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013;

“Unit or division” shall mean an unit or division of an undertaking or a business activity taken as a whole, but does not include individual assets or liabilities or any combination thereof not constituting a business activity

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.

4. APPLICABILITY:

This policy shall be applicable to prospective events or information arising on or after December 1, 2015 and shall not be applicable to past events.

5. POLICY:

5.1 Criteria for Materiality:

The Company shall consider the criteria as specified in clause (i) of sub-regulation 4 of Regulation 30 of the SEBI Listing Regulations for determination of materiality of events / information.

5.2 Material Events or Information:

The following events and information shall be material for the purpose of this policy:

- a) Events & information specified in Annexure A;
- b) Events & information specified in Annexure B, based on application of the criteria for materiality as specified in Para 5.1 of this Policy;
- 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) Events and information as specified by the Securities and Exchange Board of India from time to time;
- e) Events or information which, in the opinion of the Board of Directors of the Company, are material

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5.3 Disclosure of Events or Information

- a. The Company shall disclose to stock exchange(s) of all Material Events and/or Information, as specified in Para 5.2 of this Policy as soon as reasonably possible and not later than twenty four hours from the occurrence of such event or information.
- b. In case the disclosure is made after twenty four hours of occurrence of the Material Event and/or Information, the Company shall, along with such disclosures provide explanation for delay.
- c. Disclosure of Material Events and/or Information specified in sub-para 5 of Annexure A shall be made within thirty minutes of the conclusion of the meeting of the Board of Directors.
- d. The Company shall make disclosures updating material developments on Material events and/or Information on a regular basis, till such time the event is resolved / closed, with relevant explanations;
- e. The Company shall disclose on its website all such events and/or information which has been disclosed to Stock Exchange(s) under this Policy. Such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter archived as per the Preservation and Archival of Documents Policy of the Company.
- f. The Company shall provide specific and adequate reply to all queries raised by Stock Exchange(s) with respect to any events or information

5.4 Authorized Personnel

- a. The Managing Director in consultation with Legal Head shall determine the materiality of an event or information conformably with the foregoing policy for the purpose of making disclosures of Material Events and/or Information to Stock Exchange(s).
- b. The Compliance Officer shall make such disclosures to the Stock Exchange(s) on direction of the Managing Director;
- c. The contact details of the Compliance Officer who shall act as co-ordinator between the Managing Director and the Stock Exchange(s) shall be disclosed to the Stock Exchange(s) and as well as on the Company's website.

6. DISSEMINATION OF POLICY:

This Policy shall be published on the website of the Company.

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ANNEXURE A

Events which shall be disclosed without any application of the guidelines for materiality

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-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. The Company holds shares or voting rights aggregating five per cent or more of the shares or voting rights in the company and there is change in holding from the last disclosure exceeding two per cent of the total shareholding or voting rights in the said company.
 3. 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.
 4. Revision in Rating(s).
 5. 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;
 - h) financial results;
 - i) decision on voluntary delisting by the Company 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 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.
 6. Fraud/defaults by promoter or key managerial personnel or by Company 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.

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8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
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 Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

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Annexure B

Events which shall be disclosed upon application of the criteria for materiality specified in Para 5.1 of 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 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.