

COLINZ LABORATORIES LTD

CIN NO. L24200MH1986PLC041128

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

1. PREAMBLE:

The Securities and Exchange Board of India ("SEBI"), vide its Notification dated September 2, 2015, has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Hereinafter called as "**The Regulations**"). The Regulations come into force from December 1, 2015.

The Regulations mandate listed entities to formulate a policy for Determining Materiality of events or information that warrant disclosure to investors. It is in this context that the Policy on Determining Materiality of Disclosure ("Policy") is being framed and implemented by the Board of Directors ("Board") of **COLINZ LABORATORIES LTD** ("The Company") at its meeting held on 31st January, 2016.

The Policy can be modified and or amended with the approval of the Board of Directors only.

2. OBJECTIVE OF THE POLICY:

The objective of this Policy is to Comply with Regulation 30(4)(ii) of the Regulations, as mentioned below:

"The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website."

3. TYPE OF INFORMATION:

The information covered by this Policy shall include "information related to the Company's Business, operations, of performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in timely and appropriate manner by applying the guidelines for assessing materiality.

Events or information that is to be disclosed without any application of the guidelines for materiality are specified in Annexure I to this Policy.

Events or information that is to be disclosed based on materiality principle are specified in Annexure II to this Policy.

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4. PERSONS RESPONSIBLE FOR DISCLOSURE:

The Board of Directors of the Company have authorized the Key Managerial Personnel ("KMP") as defined under Section 2(51) of the Companies Act, 2013, to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholder as they may deem fit.

5. GUIDELINES FOR ASSESING MATERIALITY:

Materiality will be determined on a case to case basis depending on the facts and circumstances pertaining to the event or information.

The Following quantitative criteria will be applicable for determining materiality of event or information:

- a.
- b.

The Following qualitative criteria will be applicable for determining materiality of event or information:

- a.
- b.

6. GUIDANCE ON TIMING OF AN EVENT OR INFORMATION:

The Company may confront with the question as to when an event/information can be said to have occurred.

In certain cases the answer to the above question would depends upon the stage of discussion, negotiation or approval and in other cases where there is no such discussion, negotiation or approval required, viz. in case of natural calamities, disruptions, etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividend etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

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In the letter, 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 Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'Officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

7. POLICY REVIEW:

The KMP(s) may review the policy from time to time. Material changes to the policy will need the approval of the Board of Directors.

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ANNEXURE I

(same as Part A of Part A of Schedule III of the Regulations) Events or information that is to 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 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. financial results;
 - 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

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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.
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 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. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

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ANNEXURE II

(same as Part B of Part A of Schedule III of the Regulations)

Events or information that is to be disclosed based on application of the guidelines for materiality

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.