

## **WINDLAS BIOTECH LIMITED**

### **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS**

#### **I. BACKGROUND AND APPLICABILITY OF THE POLICY**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires every listed company to disclose events or information which, in the opinion of the board of directors of a company are material. In this context, the following Policy for Determination of Materiality and for Disclosure of Events/Information (“**Policy**”) has been framed by the Board of Directors (“**Board**”) of Windlas Biotech Limited (“**Company**”) at its meeting held on May 6, 2021 with the objective of determining materiality of events.

Regulation 30 of the Regulations mandates disclosure of all deemed material events to the stock exchanges. These events have been specified in Para A of Part A of Schedule III of the Regulations and shall be disclosed as applicable from time-to-time.

For disclosure of certain events (as specified in Para B of Part A of Schedule III) to the stock exchanges the following criteria shall be considered by the Board for determining whether the events are material or not:- Where the omission of an event or information, is likely to result in:

- a) discontinuity or alteration of event or information already available publicly or
- b) a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events based on qualitative criteria as stated in points a) and b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below.

This Policy shall also apply to the events to which neither Para A or Para B of Part A of Schedule III applies but have a material effect on the Company.

The Company shall also disclose under this Policy 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, as required under Para C of Schedule III of the Listing Regulations.

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

#### **II. MATERIALITY THRESHOLDS**

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. The qualitative (as stated in points a and b below)

and quantitative criteria shall apply to events specified in Para B of Part A of Schedule III of the SEBI Regulations only. (reproduced as an Annexure to this Policy).

The following will be the materiality criteria:

An event specified in the Annexure to the policy would be considered material if the impact of the event, if measured in

- a. For items 1 to 9 of the Annexure, if it exceeds 10 % of the consolidated income, consolidated profit before tax or consolidated net worth, as may be applicable.
- b. For frauds/ defaults, etc. by directors (other than key managerial personnel) or employees of the Company involving financial impact of Rs. 5 crore or more.
- c. For options to purchase securities, including any ESOP/ESPS scheme amounting to 2% of post issue equity share capital.
- d. For giving of guarantees or indemnity or becoming a surety for any third party in excess 10% of the consolidated net worth of the Company.

The above thresholds shall be determined on the basis of the last annual audited consolidated financial statements of the Company.

### **III. DISCLOSURE PROCESS**

1. Any event purported to be reportable under Regulation 30 of the Regulations shall be informed to the Chairman/Managing Director/Chief Financial Officer & Company Secretary of the Company on an immediate basis with adequate supporting data/information to facilitate a prompt and appropriate disclosure. Any other event, even if not covered under the Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer & Company Secretary.
2. The Chairman, the Managing Director and the Chief Financial Officer & Company Secretary of the Company shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Listing Regulations and this Policy.
3. After evaluation, any one of the above mentioned persons shall make disclosure to the stock exchanges.
4. The Company shall use the electronic facilities provided by the stock exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
5. Statutory timeframes for disclosure shall be adhered to. Delay, if any, should be sufficiently explained along with the disclosure.
6. Regular updates, where relevant, shall be made with relevant explanations.

7. The Company shall disclose on its website all such events or information which has been disclosed to stock exchanges under this Policy , and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

8. The contact details of the Chairman, the Managing Director and the Chief Financial Officer & Company Secretary of the Company who are authorised for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchanges shall be disclosed to the stock exchanges and as well as on the Company's website.

9. The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

#### **IV. MODIFICATION OF THE POLICY**

This Policy is framed based on the provisions of the Listing Regulations, 2015 as notified. In case of any subsequent amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Listing Regulations shall prevail.

The Policy shall be reviewed by the Audit Committee and on recommendations shall be modified by the Board so as to align the same with the amendments or to incorporate the changes as may be felt appropriate by the Audit Committee. The list of events in Annexure, as it stands today may be updated, from time to time, by authorised persons, to reflect any changes in the Listing Regulations and the updated version be issued and published as necessary, without any requirement for approval from the Audit Committee or the Board.

#### **V. AVAILABILITY OF THE POLICY**

This Policy shall be made available on the website of the Company.

## **Annexure**

### **(Same as Para B of Part A of Schedule III)**

Events which shall be disclosed upon application of materiality thresholds as set out in point II after the application of Qualitative test set out in Point I:

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. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
10. Fraud/defaults etc., by directors (other than key managerial personnel) or employees of the Company.
11. Options to purchase securities including any ESOP/ESPS Scheme.
12. Giving of guarantees or indemnity or becoming a surety for any third party