

Policy for determination of Materiality of Events

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Policy for determination of Materiality of Events

A. Objective:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) require every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company, are material.

The Policy aims at ensuring that all investors have equal access to important information that may affect their investment decisions and that such information is adequately disseminated in a fair and timely manner in pursuance with the Listing Regulations and to provide an overall governance framework for determination of materiality.

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

B. Scope and Exclusions:

This Policy is applicable to Balaxi Pharmaceuticals Limited (“Company”).

C. Criteria for determination of Materiality:

The Company shall consider the following criteria for determination of materiality of events/ information:

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

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.

D. Disclosure of events or information:

The Company shall make disclosures of any events or information which in the opinion of the Board of Directors is material or required under the Listing Regulations.

The Company will also disclose all events or information with respect to subsidiaries which are material for the Company.

The Listing Regulations have divided the events that needs to be disclosed as follows:

Category 1: Events specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events and listed entity shall make disclosure of such events.

Category 2: Events specified in Para B of Part A of Schedule III of the Listing Regulations, based on application of the guidelines for materiality, as specified in sub-regulation (4) of Regulation 30 of the Listing Regulations, the same is also provided in Clause C above.

Category 3: 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.

Category 4: Without prejudice to the generality of category (1), (2) and (3) above, any other event or information as may be specified by the Securities and Exchange Board of India from time to time.

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

E. Time Limit for the Disclosures:

The Company shall disclose all the events or information as stated in the Category (1) to Category (4) of Clause D above as soon as reasonably possible and in any case not later than the following:

- 1) 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;
- 2) Twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- 3) 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:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

F. Person(s) responsible for Disclosure:

The Board of Directors of the Company shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under Regulation 30 of Listing Regulations and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the Company's website.

G. Website:

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under Regulation 30 of Listing Regulations, 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.

H. Assistance for Employees:

Employees of the Company shall refer to Clauses C to E above for identifying any potential material event or information. Employees requiring any further assistance in this regard may also contact the Company Secretary and Compliance Officer of the Company.

Once a material information is identified by an Employee, he/ she shall report the same to the authorized Key Managerial Personnel for determining materiality of the said event or information and for making necessary disclosures.

The events reportable under Regulation 30 of the Listing Regulations shall be immediately informed to the Authorized Key Managerial Personnel along with the supporting data/information to facilitate a prompt and appropriate disclosure.

I. Amendments:

The Board of Directors may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.
