



Zydus Wellness Limited
Policy for determination of materiality of
an event or information and its disclosure

Policy versions

Sr. No.	Particulars	Board approval date	Effective from
1.	Initial adoption	July 30, 2021	July 30, 2021
2.	First Revision	November 6, 2023	November 6, 2023

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This 'Policy for determination of Materiality of an Event or Information and its disclosure has been framed in compliance with the provisions of regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **Listing Regulations**"), which is effective from December 1, 2015. This Policy has been updated based on the amendments made in Regulation 30 and Schedule III of the Listing Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 ("**SEBI Circular**"). The amended Policy is effective from November 6, 2023.

This Policy will guide the Key Managerial Personnel ("**KMP**") to determine the materiality of an event or information as and when applicable, which will govern the framework of such disclosure.

A. BACKGROUND:

Zydus Wellness Limited ("the **Company**") is listed on the BSE Limited and the National Stock Exchange of India Limited ("**Stock Exchanges**"). The Company is committed to comply with all the requirements on corporate governance as may be prescribed. One of the requirements is to keep the stakeholders informed about material developments, events and information about the Company to take an informed decision. The Board of Directors ("**Board**") of the Company has approved this Policy for determination of materiality of an event or information and its disclosure.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of any definition or explanation therein, as per the Companies Act, 2013 ("the **Act**") and the Rules, Notifications and Circulars made / issued thereunder, from time to time.

B. PURPOSE OF THIS POLICY:

The purpose of this Policy is to ensure that communications to the Stock Exchanges and to stakeholders:

- a. are made in a timely manner;
- b. are factual and statements of opinion and are not false, misleading or deceptive;
- c. do not omit disclosure of any material information; and
- d. are expressed in a clear manner bringing facts that allow stakeholders to assess the impact of the information, while making investment decisions.

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C. BASIC PRINCIPLES OF DISCLOSURE:

The Company shall comply with the following four basic principles while engaging in the timely disclosure of material event / information:

- a. **Transparency:** Disclose information in accordance with the facts regardless of its content.
- b. **Timeliness:** Disclose information in a timely manner and without delay.
- c. **Fairness:** Endeavor to ensure that information is transmitted fairly to its various stakeholders.
- d. **Continuity:** Ensure continuity of the contents of the information disclosed.

D. EVENTS OR INFORMATION TO BE DISCLOSED TO THE STOCK EXCHANGES:

Deemed material events or information: The Company shall disclose to the stock exchanges, all events or information listed in Para A of Part A of Schedule III of the Listing Regulations without applying any criteria or tests of materiality as they are deemed to be material events or information.

Material Events or Information based on guidelines of Materiality: The events or information listed in Para B of Part A of Schedule III of the Listing Regulations will be disclosed to the Stock Exchanges based on the materiality threshold limits as prescribed under regulation 30(4) of the Listing Regulations.

Provided that the authorised KMP or the Board are authorized to form an opinion that looking to the size of business and other relevant factors, whether a particular event or information is material or not. If KMP or the Board is of the opinion that the event or information is material, it should be disclosed to the Stock Exchanges.

Provided further that the Company will provide specific and adequate reply to any query raised by the Stock Exchanges with respect to any event or information by way of a clarification.

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

E. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

The KMP and the Board shall consider the following criteria for determination of materiality of an event or information specified in Para B of Part A of Schedule III of the Listing Regulations while taking a decision to disclose the information to the Stock Exchanges.

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- a. disclosure of an event or information by the Company is likely to result in discontinuity or alteration of event or information already available publicly; or
- b. non disclosing an event or information is likely to result in significant market reaction when such information came to light at a later date; or
- c. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. 2% of turnover, as per the last audited consolidated financial statements of the Company;
 - ii. 2% 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. 5% of the average of absolute value of profit or loss after tax, as per the last 3 (three) audited consolidated financial statements of the Company.

Note: The average of absolute value of profit or loss is to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration. Further, if the Company does not have a track record of three years of financials, then the aforesaid average may be taken for the period / number of years as may be available.

In case where the above three criteria are not applicable, an event or information may be treated as being material if in the opinion of the KMP or Board the event or information is considered material.

F. TIMELINES FOR DISCLOSURE:

Pursuant to the provisions of regulation 30(6) of the Listing Regulations, all the events / information which become material in terms of the provisions of regulation 30 read with Para A and Para B of Part A of Schedule III of the Listing Regulations, shall be disclosed to the Stock Exchanges as soon as reasonably possible but not later than the following:

- a. 30 (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;
- b. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- c. 24 (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 / information for which timelines have been specified in Part A of Schedule III will be made within such timelines.

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Provided further that the Company shall adhere to the timeline for disclosing events / information to the stock exchanges as mentioned in Annexure-“II” of SEBI circular, as may be modified / replaced from time to time.

G. DISCLOSURE PROCESS:

1. Any event purported to be reportable under regulation 30 of the Listing Regulations shall be informed to the Chairman / the CEO & Whole Time Director / the Chief Financial Officer 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 Listing Regulations but is potentially of price sensitive nature, must also be informed, for further evaluation to the Chief Financial Officer.
2. The Chairman, the CEO & Whole Time Director and the Chief Financial Officer of the Company shall severally be responsible and authorized 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, the Chairman or the CEO & Whole Time Director or the Chief Financial Officer shall instruct the Company Secretary to 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. Material developments on a regular basis, till such time the event is resolved / closed, shall be made with relevant explanations.
7. All disclosures shall be available on the website of the Company for a period of 5 years.

Any disclosure of an event or information made by the Company to the Stock Exchanges, the Company Secretary will also inform to the Directors (other than KMP) and also post it on the website of the Company immediately after receipt of an acknowledgement from the Stock Exchanges that the announcement has been released to the market.

The contact details of the executives authorized to determine the materiality of an event or information and the executives authorized to make disclosures to the stock exchanges are provided on the website of the Company.

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H. AUTHORISED SPOKESPERSONS:

The Company has authorized only the following KMPs as its official spokespersons to speak publicly on behalf of the Company:

- Chairman
- CEO & Whole Time Director and
- Chief Financial Officer

I. COMMUNICATIONS WITH THE STOCK EXCHANGES AND MEDIA:

The Company Secretary and the Compliance Office of the Company is responsible for communications with the Stock Exchanges ensuring that Company's announcements are released to the Stock Exchanges promptly in accordance with the Listing Regulations.

J. CONSEQUENCES FOR BREACH OF THE CONTINUOUS DISCLOSURE AND COMMUNICATIONS POLICY:

The Board believes that timely disclosure of an event or information shall be made to the Stock Exchanges. Non-compliance with the timely disclosure obligations set out in this Policy may constitute a breach of the Listing Regulations, which can result in the consequences like fine, penalty, suspension of trading in the Company's securities and freezing of shares of the promoters by the Exchange(s) as stipulated in the Listing Regulations.

K. REVIEW OF THIS POLICY:

The list of events / information which requires disclosures, 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 Board.

This Policy should be read in conjunction with the Listing Regulations.

L. GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED

1. The Company may be confronted with the question as to when an event/information can be said to have occurred for making disclosures to the stock exchanges
2. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances 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 listed entity became aware of the event/information.

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- 2.1. In the former, the events/information can be said to have occurred upon receipt of approval of the Board e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board and shareholders.

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

In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under regulation 30 of the LODR Regulations.

- 2.2. In the latter, 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 Act and shall also include promoters of the Company.
