

**POLICY FOR DETERMINATION OF MATERIALITY
OF
SAI LIFE SCIENCES LIMITED**

Date: 6 February, 2025

POLICY FOR DETERMINATION OF MATERIALITY

1. BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) requires Sai Life Sciences Limited to frame a policy for determination of materiality for disclosure of events or information (“**Policy**”) to Bombay Stock Exchange Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”), based on the criteria specified in the SEBI Listing Regulations. The Policy is also required to be disclosed on the website of the Company. The events / information that would be disclosed would be as prescribed by SEBI Listing Regulations and as would be amended from time to time.

2. DEFINITIONS

2.1 **Board** means the Board of Directors of the Company

2.2 **Company** means Sai Life Sciences Limited

2.3 **Control** shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

2.4 **Directors** shall mean the members of the Board of Directors including the Independent Directors.

2.5 **Key Managerial Personnel** or **KMP** in relation to the Company, means -

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director
- iv. the Chief Financial Officer
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board.

2.6 **Management** means actively overseeing and directing the company's activities, resources, and personnel to accomplish its objectives and requires decision-making, strategic planning, organization, communication, and oversight

2.7 **Normal course of business** of the Company will have the same meaning as defined under the Related Party Transactions Policy of the Company.

Explanation: To decide whether an activity / event / transaction is in the normal course of business or not, the following factors shall be considered, both individually and / or collectively:

- a. Whether the activity is covered in the objects clause of the Memorandum of Association of the Company
- b. Whether the activity is in furtherance of the business of the Company
- c. Whether the activity is normal or otherwise routine for the Company's business (i.e. activities like advertising, staff training, etc.)
- d. Whether the activity is repetitive / frequent
- e. Whether the income, if any, earned from such activity / transaction is treated as business income in the Company's books of account
- f. Whether the transactions are common in the Company's industry
- g. Whether there is any historical practice to conduct such activities
- h. The financial scale of the activity with regard to the operations of the business
- i. Revenue generated by the activity
- j. Resources committed to the activity

- 2.8 **Normal trading hours** means the time period for which the recognized stock exchanges are open for trading for all investors
- 2.9 **Policy** means this Policy to determine materiality for disclosure of events or information as amended and approved by the Board from time to time
- 2.10 **Promoter and Promoter Group** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2.11 **Relevant Employees** means personnel who can potentially inform the Key Managerial Personnel of any material events/information and shall include the Senior Management Personnel. The list of Relevant Employees shall be determined by Authorized Officials (i.e. majority of the Key Managerial Personnel) from time to time in consultation with Senior Management Personnel.
- 2.12 **Schedule** means Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.13 **SEBI** means the Securities and Exchange Board of India.
- 2.14 **SEBI POIT Regulations** means the SEBI (Prohibition of Insider Trading) Regulations, 2015
- 2.15 **Senior Management or Senior Management Personnel** means officers and personnel of the Company who are members of its core management team excluding the Board of Directors, and shall also comprise all the members of the management who are one level below Chief Executive Officer or Managing Director or Whole Time Director or Manager and shall also include Chief Executive Officer and Manager, in case they are not part of the Board of Directors and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.
- 2.16 **Stock Exchanges** means the National Stock Exchange of India Ltd and the Bombay Stock Exchange Ltd., and any other stock exchanges on which the securities of the Company are listed.
- 2.17 **Subsidiary** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013;

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the SEBI Listing Regulations or any other applicable law or guidelines.

3. SCOPE OF THE POLICY

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “*Disclosure of events or information to Stock Exchanges*”. This Policy shall be read along with the Company’s policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) framed in adherence to the principles for fair disclosure as outlined in the SEBI POIT Regulations, 2015, as amended from time to time.

The policy is framed to identify, categorize, review and disclose to the Stock Exchange(s), the details of events / information which are considered material and may have a bearing on the performance of the Company / materially affect the securities price of the Company.

4. KEY MANAGERIAL PERSONNEL/ SENIOR MANGEMENT AUTHORIZED TO DETERMINE MATERIALITY

The Chief Financial Officer of the Company or failing him/ her, the Company Secretary of the Company, will be the authorized KMP for determining the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchange(s) on a timely basis. The aforesaid

KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

Pursuant to Regulation 30(5) of the SEBI Listing Regulations the contact details of the persons authorised for determination and disclosure of the materiality of any event or information are mentioned below:

Sr. No.	Name	Designation	Email Id	Phone No.
1.	K Krishnam Raju	CEO	Krishna.k@sailife.com	9949824242
2.	Sivaramakrishnan Chittor	Chief Financial Officer	siva.c@sailife.com	9949557482
3.	Deepak Thakkar	VP-Finance	deepak.t@sailife.com	7567124223
4.	Runa Karan	Company Secretary & Compliance Officer and Lead Head	runa.k@sailife.com	9848217038

The aforesaid persons shall have the following powers and responsibilities for determining the material events or information:

- a. To review and assess an event/ information that may qualify as ‘material’ and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b. To formulate a view on stage of treatment of an event or information as UPSI under SEBI POIT Regulations, 2015 for triggering trading window closure.;
- c. To review and finalize the details to be disclosed. The contents of the disclosure shall be in line with the SEBI Listing Regulations and SEBI circulars issued in this regard, as may be amended from time to time. While doing so, the need to disclose prescribed information will be balanced with the need to protect any confidential information which may put at risk, the business interests of the Company. To that extent, qualified disclosures shall be made to the stock exchanges;
- d. To consider such other events / information for disclosure to the stock exchange (in consultation with the Board) which are not explicitly prescribed in the Regulation and to determine the materiality, appropriate time and contents of disclosure for such matters;
- e. To review the details in respect of the disclosed events / information on a periodic basis, as may be necessary and inform the stock exchange if there is a change in the event / information after it has been disclosed (including withdrawal or cancellation of event / information).
- f. To determine events/information which may trigger a significant market reaction and hence warrant disclosure to the stock exchange, even if the same do not cross the materiality thresholds prescribed in the Regulations.
- g. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- h. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- i. To disclose all events or information with respect to the subsidiaries which are material for the Company.
- j. To provide specific and adequate reply to all queries raised by stock exchanges with respect to any events or information.
- k. To undertake necessary amendment(s) to the Policy as may be required from time to time.

5. DISCLOSURES OF EVENTS OR INFORMATION TO STOCK EXCHANGES

The events or information which will be necessary to be disclosed to the Stock Exchanges are divided into three categories as specified in Part A of Schedule III of the SEBI Listing Regulations:

A. Events or Information which are mandatorily to be disclosed without any application of the

test/guidelines of materiality

The Company shall disclose all events/ information which are specified in Para A of Part A of Schedule III of SEBI Listing Regulations (as amended from time to time), without any application of the test/guidelines for materiality, as specified in sub-regulation (2) of Regulation 30 of the SEBI Listing Regulations.

B. Events which shall be disclosed upon application of the test/guidelines for materiality

The Company shall disclose all material events pertaining to matters specified in Para B of Part A of Schedule III of the SEBI Listing Regulations, subject to application of guidelines for materiality.

Guideline for determining materiality of events

In order to determine whether a particular event or information is material in nature, the following criteria shall be considered in accordance with the SEBI Listing Regulations:

- I. **Qualitative Criteria:** In the absence of meeting the quantitative threshold criteria as stated below, an event/information shall be considered material by the Authorised Persons by applying the following guidelines 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 an event or information already available publicly; (or)
 - b) the omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
- II. **Quantitative Criteria:** 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 Company;
 - (2) **two percent 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;
 - (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 Company.

In a case where the Qualitative or Quantitative criteria specified above are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors of the Company, the event / information is considered material.

The materiality threshold may undergo a change every year with increase or decrease in turnover, net worth and net profit/loss. If the materiality threshold is reduced, the Company will be required to make more disclosures for items which were not considered material in the past but become material due to the reduced threshold.

However, in a situation where the materiality threshold increases, the Company will continue to remain obligated to provide updates (wherever required) w.r.t events / information which were already disclosed and are continuing.

C. Any other information/event that is likely to affect business

Such events may include but not be limited to the following and all such events will be disclosed by the Company to the stock exchanges:

- (i) Change in accounting policy that may have a significant impact on the accounts of the Company.

- (ii) Any other event which is in the nature of a major development that is likely to affect the business of the Company.
- (iii) Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to be apprised of its position and to avoid the establishment of a false market in such securities.

For determining the materiality of information/event as specified in Para C of Part A of Schedule III of SEBI Listing Regulations, relevant qualitative and quantitative criteria, as determined by the Board of Directors of the Company from time to time, shall be considered.

D. Other disclosures

The Company shall also make the following disclosures:

- (i) Events or information as may be required to be disclosed by SEBI from time to time as prescribed in Para D of Part A of Schedule III of SEBI Listing Regulations.
- (ii) Events or information not specified in either Para A of Part A or Para B of Part A of Schedule III of SEBI Listing Regulations but which according to the Board of the Company are material or have a material effect on the Company.
- (iii) Events or information with respect to a Subsidiary of the Company, which are material for the Company shall also be disclosed to the stock exchange(s). For this purpose, any subsidiary level events covered in Para B of Part A of Schedule III of SEBI Listing Regulations which cross the materiality threshold of the Company will be disclosed to the stock exchanges. For all subsidiary level events covered in Para A of Part A of Schedule III of SEBI Listing Regulations, the Company will make a judgement on disclosures based on the assessment by the Authorized Personnel.
- (iv) The Company shall disclose on a regular basis, all further material developments with respect to any previous disclosures in case of continuing events, till the event is resolved / closed, with relevant explanations, as required under the Regulations.
- (v) Where events or information are required to be disclosed in terms of the SEBI Listing Regulations pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, in addition to the event or information aforementioned, the communication shall also be disclosed unless disclosure of such communication is prohibited by such authority.
- (vi) Agreements entered into by the shareholders, Promoters, Promoter Group entities, related parties, directors, Key Managerial Personnel and employees of the Company or of its holding, Subsidiary and associate company either amongst themselves or with the Company or with a third party which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the Company including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements. For agreements entered into by the Company in the normal course of business the disclosures shall not be required unless the agreement, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the listed entity or they are required to be disclosed pursuant to this Policy or SEBI Listing Regulations.
- (vii) The Company shall provide adequate replies to all queries raised by the Stock Exchanges with respect to any events or information.
- (viii) The Company may on its own initiative, confirm or deny any event or information reported in the media, to stock exchanges.

- (ix) If and when, the Company crosses the market capitalization threshold as prescribed under the Regulations, in case of a material movement in its share price, it shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumors of an impending specific material event or information are circulating amongst the investing public. In case of confirmation of such event, the current stage of such event or information shall also be disclosed.

The Company's Media and Communications Head will be the Relevant Employee responsible to monitor reports in "Mainstream media" and report any rumour of potential / impending material event / information to the Authorized Official. Any Officer of the Company who comes in possession of such report will also inform the Relevant Employee / Authorized Official. The Company will endeavour to establish necessary technology-based infrastructure to monitor mainstream media and identify specific market rumours or outsource the same to external specialised agencies.

6. TIMEFRAME FOR DISCLOSURE

The events or information considered material in terms of the SEBI Listing Regulations or this Policy shall be disclosed to the stock exchanges as soon as reasonably possible but not later than the following:

- i. 30 (thirty) minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;

In case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Further in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- ii. 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- iii. 24 (twenty-four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

If all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the SEBI POIT Regulations, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity:

The events or information for which a timeline for disclosure has been specified under Part A of Schedule III of the SEBI Listing Regulations shall be disclosed within such time period along with the details prescribed under the SEBI Listing Regulations read with Circulars and other guidance issued in this regard.

The Company shall undertake all possible efforts to ensure that the events or information are disclosed to the stock exchanges within the specified time period. In case the Company fails to disclose the events or information within the specified time period, the Company shall along with the disclosures, submit with the stock exchange, an explanation describing the reasons for delay.

7. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO HAVE OCCURRED

The Company may be confronted with the question as to when an event or information can be said to have occurred for making disclosures under Regulation 30 read with Schedule III of the SEBI Listing Regulations. This would in turn depend on whether the event or information that triggers the disclosures originates internally or externally.

Further, some events / information may require disclosure at multiple stages i.e., after Board approval, Shareholders' approval, etc. In case Shareholders' approval is required, the Company will make the disclosure after Board approval, by mentioning that the same is subject to Shareholders' approval and subsequently, make another disclosure when Shareholders' approval is obtained.

A. Guidance on when an event / information originates internally

a. The events / information shall be said to have occurred upon approval of Board for matters where only the approval of the Board is required such as further issue of capital by rights issuance and in certain events / information after receipt of approval of both the Board and shareholders of the Company for matters where both the approvals are required such as, amendment to Memorandum of Association. Further, some events / information may require disclosure at multiple stages i.e., after Board approval, Shareholders' approval, etc. In case Shareholders' approval is required, the Company will make the disclosure after Board approval, by mentioning that the same is subject to Shareholder approval and subsequently, make another disclosure when Shareholders' approval is obtained.

b. Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the Board pending Shareholders' approval.

c. Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event / information.

B. Guidance on when an event / information originates externally

Where the event originates externally, the trigger for disclosure may be said to occur when the Company becomes aware of the event/information or as soon as an any Officer of the Company has, or ought to have reasonably come into possession of the information during the performance of his / her duties. As the term 'Officer' is defined inclusively, it will cover any employee in possession of information and not only Key Managerial Personnel or Directors

8. IDENTIFICATION OF RELEVANT EMPLOYEES AND AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Company shall select / nominate a set of employees from across its business units / divisions / functions / departments ("Relevant Employees") to identify one or more potential material events or information specified in Part A of Schedule III of the SEBI Listing Regulations and forthwith inform the authorised Key Managerial Personnel upon occurrence, with adequate supporting data / information, for determining materiality thereof. In this connection, the Company shall take adequate steps to educate the Relevant Employees on the process and basis of identification of the prescribed material events or information and the related triggers for disclosure thereof.

The identified KMP(s) of the Company are authorised by the Board for the purpose of reviewing the details of potential material events or information as reported by the Relevant Employees and to then ascertain the materiality of such event(s) or information based on the above guidelines. On completion of the assessment, the Company Secretary or other identified personnel shall, as required, make appropriate disclosure(s) to the stock exchanges. The Company shall develop a Standard Operating Procedure (SOP) document to facilitate implementation of this Policy including but not limited to aspects on the roles and responsibilities of individuals and employees under this Policy, positions with respect to disclosure items, trigger for disclosures, specific amounts for each event/information which need to be measured in the context of materiality limits, etc.

9. DISCLOSURES ON WEBSITE

The Company shall disclose on its website, any event or information which has been disseminated to the 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 process followed by the Company.

The Company will also comply with all other applicable laws and guidelines issued by various regulatory authorities while making disclosures.

10. AMENDMENTS TO THE POLICY

The KMP authorized under this Policy will review the Policy from the perspective of the SEBI Listing Regulations and determine the events / information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. All such amendments will be informed to the Board and the approval of the Board will be sought to align the Policy in line with the SEBI Listing Regulations.