

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS & INFORMATION

PREFACE

The Board of Directors (the **"Board"**) of "Healthy Biosciences Limited" (the **"Company"**) has approved the policy for the determination of materiality of events & information (the **"Policy"**) at its Meeting held on 15th December, 2023. The Policy is framed in accordance with the requirements of the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"Listing Regulations"**) as amended from time to time.

OBJECTIVE

The key objectives of this Policy are:

1. to determine materiality of events or information of the Company
2. to ensure that such information is adequately and promptly disseminated in accordance with provisions of the aforesaid Regulation
3. to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. to enable investors to take well informed investment decisions with regards to the securities of the Company.
5. to provide an overall governance framework for such determination of materiality.

EFFECTIVE DATE

This Policy is effective from the date of listing of the equity shares of the Company on the stock exchange(s).

DEFINITIONS

- **"Act"** shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.
- **"Board of Directors" or "Board"** shall mean the Board of Directors of Healthy Biosciences Limited, as constituted from time to time.
- **"Company"** shall mean "Healthy Biosciences Limited".
- **"Material Events" or "Material Information"** shall mean such event or information as set out in the Schedule or as may be determined in terms of the Policy. The words material and materiality in the Policy shall be construed accordingly.
- **"Policy"** shall mean this Policy for Determination of Materiality of Events & Information and as amended from time to time.

- **“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- **“Schedule”** shall mean Schedule III of Listing Regulations.
- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.
- Words importing the singular number include, where the context admits or requires, the plural number and vice versa.
- Words importing the masculine gender also include the feminine gender and neutral gender.

AUTHORITY TO DETERMINE MATERIALITY OF EVENTS

(A) The respective heads of various departments (**“Designated Officers”**) who are responsible for relevant areas of the Company’s operations to which any item of information relates must report to (hereinafter referred as **“Key Managerial Personnel”**)

- a) Managing Director,
- b) Whole-Time Director,
- c) Chief Executive Officers or Chief Financial Officer (CFO),
- d) Company Secretary (CS) of the Company

any event / information which is material as defined in this Policy or of which Designated Officer is unsure as to its materiality. The event/ information should be reported immediately after a Designated Officer becomes aware of it.

(B) The Authorized KMP’s shall on receipt of a communication of a potential material event/ information

- ✓ Assess the ‘materiality’ factor of any information based on the prevailing circumstances
- ✓ Determine the time for disclosure of the available information considered material
- ✓ Provide updates of material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations
- ✓ Disclose all events or information with respect to subsidiaries which are material
- ✓ Provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information
- ✓ Review the event/ information and take necessary steps to verify its accuracy;
- ✓ Assess if the event/ information is required to be disclosed to the Stock Exchanges under the Regulations and this Policy and take necessary actions.

(C) If the Key Managerial Personnel are not certain about the materiality of any event/ information, they may refer the matter for external legal advice for appropriate guidance

thereafter.

DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Following criteria shall be considered for determination of materiality of events/ information:

- I. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- II. 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;
- III. In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Board of the Company, the event / information is considered material.

TYPES OF MATERIAL EVENTS AND INFORMATION

- Material events/information including events specified in **Annexure A** and **Annexure B** shall be disclosed by the Company as soon as reasonably possible and not later than twenty four (24) hours from the occurrence of such event or information in the following manner:
 - Inform the stock exchanges on which the securities of the Company are listed;
 - Upload on the corporate website of the Company.
- Provided that in case the disclosure is made after twenty four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.
- Provided further that disclosure with respect to events specified in **Point 4** (Outcome of Meetings of Board of Directors) of **Annexure A** shall be made within thirty (30) minutes or such other time as appropriate of the conclusion of the board meeting.
- The Company shall make the disclosure of events/ information as specified in **Annexure B** based on application of guidelines for determining Materiality.
- The Company shall disclose all events or information with respect to subsidiaries, if any which are material for the listed entity.

COMMUNICATION AND DISSEMINATION OF THE POLICY

This Policy after duly approved by the Board of Directors shall be notified and communicated to the all employees / functional head of respective departments of the Company. The new employees shall be informed about the Policy by the human resource and administration

departments. For all the employees and Directors, whether existing or new, a copy of this Policy shall be posted on the website of the Company.

AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with new provision(s) or replace the Policy entirely with a new Policy. The Policy is subject to review from time to time. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations / the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Listing Regulations/ the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

POLICY REVIEW

This policy is subject to review by the Board of Directors as and when necessary as per statutory requirements.

ANNEXURE – A

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF GUIDELINES FOR MATERIALITY

1. Acquisition(s) (including agreement to acquire), Scheme of arrangement (amalgamation/merger/demerger/restructuring) or sale /disposal of any unit(s), division(s) or subsidiary of the Company 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 Company 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 percent 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 Ratings
 4. Outcome of Meetings of the Board of Directors: The Company 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 Company from stock exchange(s).
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- 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 Company), agreement(s)/treaty(ies)/contract(s) with media companies which are 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 the Company or arrest of key managerial personnel or promoter.
 - 7. Change in directors, key managerial personnel, 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 Company.
 - 13. Proceedings of Annual and extraordinary general meetings of the Company.
 - 14. Amendments to memorandum & articles of association of company, in brief.
 - 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

ANNEXURE – B

EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF GUIDELINES FOR MATERIALITY

1. 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).
2. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
3. 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.
4. 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.
5. Effect(s) arising out of change in the regulatory framework applicable to the Company.
6. Litigation(s) / dispute(s) / regulatory action(s) with impact.
7. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of the Company.
8. Options to purchase securities including any ESOP/ESPS Scheme.
9. Giving of guarantees or indemnity or becoming a surety for any third party.
10. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
11. Any other events / information which is exclusively known to the Company and 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.
