



## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION OF THE COMPANY**

### **PREFACE:**

The Board of Directors (the “Board”) of **Bafna Pharmaceuticals Limited** (the “Company”) adopted the following policy (the “Policy”) and procedures with regard to determination of Materiality of Events or Information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

### **PURPOSE:**

The purpose of this Policy is to determine the Materiality of Events and Information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and shall make disclosure of events / information specified in Para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchanges.

### **DEFINITIONS:**

- a) “**Board of Directors**” or “**Board**” means the Board of Directors of Bafna Pharmaceuticals Limited, as constituted from time to time.
- b) “**Company**” means Bafna Pharmaceuticals Limited.
- c) “**Key Managerial Personnel**” (KMP) of the Company as defined in sub-section (51) of section 2 of the Companies Act, 2013, who may be authorized individually or collectively to disclose events to Stock Exchange(s).
- d) “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) “**Material Events / Information**” means as defined under the Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and any events or information determined as material by the Board / Key Managerial Personnel.
- f) “**Policy**” means this Policy for Determination of Materiality of Events / Information of the company, as amended from time to time.



Any term not defined under this Policy shall have the same meaning as provided under the Companies Act, 2013 and the Rules made thereunder and SEBI (LODR) Regulations, 2015, and other legislations, as amended and applicable from time to time.

**TYPE OF INFORMATION:**

The information covered by this Policy shall include “information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

- a) Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.
- b) Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.
- c) 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 listed entity which may be necessary to enable the shareholders to appraise its position and to avoid the establishment of a false market in such securities.
- d) Without prejudice to the generality of para (a), (b) and (c) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

SEBI vide Circular No. SEBI/HO/CFD/CFD-PoD-1/CIR/2023/123 dated July 13, 2023, as amended from time to time, issued a guidance note under Regulation 30 read with Regulation 101 of Listing Regulations and amendment thereon to ensure its uniformity on disclosure by Listed entities, to enable the investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis.

**CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:**

Materiality will be determined on a case-to-case basis depending on the facts and the circumstances pertaining to the event or information.



The following criteria will be applicable for determining materiality of event or information:

- a) The omission of an event or information which is likely to:
  - i). result in a discontinuity or alteration of an event or information already available publicly; or
  - ii). result in significant market reaction if the said omission came to light at a later date;
- b) 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; or
  - ii). **2% of net worth**, as per the last audited consolidated financial statements of the Company, except in case of 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 three audited consolidated financial statements of the Company
  - iv). Accordingly, any transactions exceeding the lower of (i), (ii) or (iii) above, with an annual impact in value, will be considered for the above purposes.
- c) In case where the criteria specified in (a) and (b) 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.

**AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:**

The Key Managerial Personnel (KMPs) are hereby jointly and severally authorized by the Board of Directors of the Company to determine the materiality of an event or information and to make disclosures to Stock Exchange(s) under the Listing Regulations. The 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.

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

- a) To review and assess an event or 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 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.
- c) 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.
- d) To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.

The contact details of the KMPs authorized for the purpose of determining materiality of an event or information shall be disclosed to the Stock Exchange and be published on the Company's website.

**WEBSITE UPDATION / UPDATES TO STOCK EXCHANGE(S):**

The Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under the Listing Regulations and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter archived as per the Policy for Preservation of Documents (including Archival Policy) of the Company.

The Compliance Officer of the Company, with respect to the disclosure of any material event / information already made to the Stock Exchange(s), shall make disclosures updating material developments on a regular basis till such time the event is resolved / closed, with relevant explanations to the Board of Directors and to the Stock Exchange(s). Such updates shall also be hosted on the website of the Company.

The Compliance Officer shall provide specific and adequate reply to all the queries raised by the Stock Exchange(s) with respect to any event or information.

**AUTHORIZATION TO KMPS TO SUO MOTO ACCEPT / DENY REPORTED EVENT OR INFORMATION:**

The Key Managerial Personnel (KMPs) are hereby jointly and severally authorized to suo moto accept / deny any report event or information, which has been unauthorized made public by media or by any other means including but not limited to electronic means. They are further authorized to respond to the rumors amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such



action taken by the KMPs shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting.

### **GUIDELINES FOR COMMUNICATION:**

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

### **GUIDANCE ON TIMING OF AN EVENT OR INFORMATION:**

The Company may be confronted with the question as to when an event / information can be said to have occurred.

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 Company became aware of the event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors.

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 of Directors, pending shareholders' approval.

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.

### **OBLIGATIONS OF INTERNAL STAKEHOLDERS AND KMPs FOR DISCLOSURE:**

- a) Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.



- b) The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.
- c) On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

**COMPLIANCE OFFICER:**

The Compliance Officer for the purpose of complying with the provisions of the Listing Regulations shall be the Company Secretary of the Company.

**REVIEW OF POLICY:**

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

**VALIDITY & AMENDMENTS:**

This policy shall be effective from December 01, 2015. The Board may, subject to applicable laws, 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.

This Policy is in conformity with the provisions of the Listing Regulations. However, if, due to subsequent changes in the Listing Regulations, the Policy or any part thereof becomes inconsistent with the Listing Regulations, the provisions of the Listing Regulations shall prevail.

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*[This Policy was amended and approved by the Board of Directors at the Board Meeting held on November 11, 2025 ]*



**CONTACT DETAILS:**

The contact details of KMPs authorised to determine materiality of events and/ or information under this Policy by the Board of Directors of the Company, are provided below:

**Ms. S. Hemalatha,**

Executive Director

Email id: [hema@bafnapharma.com](mailto:hema@bafnapharma.com)

**Mr. Bafna Mahaveer Chand,**

Chief Executive Officer,

Email id: [bafna@bafnapharma.com](mailto:bafna@bafnapharma.com)

**Mr. Melagiri Sridhar,**

Chief Financial Officer,

Email id: [profit@bafnapharma.com](mailto:profit@bafnapharma.com)

**Mr. Mohanachandran A,**

Company Secretary and Compliance Officer,

Email id: [cs@bafnapharma.com](mailto:cs@bafnapharma.com)