

KILITCH DRUGS (INDIA) LIMITED

POLICY FOR DETERMINING MATERIALITY OF INFORMATION /EVENTS BY COMPANIES

1. INTRODUCTION

Securities Exchange Board of India has formulated the SEBI (Listing Obligations and Disclosure Requirements), 2015 which replaces the existing listing agreement. The same shall come into force with effect from 1st December, 2015.

Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (“Regulations”), the Board of Directors (the “Board”) of Kilitch Drugs (India) Limited (the “Company”) provides that the Company has to formulate and adopt a Policy, for determination of materiality of information/events (“Material Events Disclosure Policy”) so that such information can be promptly disclosed to the stock exchanges and made available to all stake holders, as per the prescribed regulations.

This Policy shall be effective from 1st December, 2015.

2. OBJECTIVE

The Policy aims to provide a framework for determining materiality of events and information for the purpose of making disclosure to Stock Exchanges in terms of subregulations 3 and 4 of Regulation 30 of Listing Regulations.

3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

3.1 Qualitative Materiality Thresholds:

The company shall consider the following criteria for determination of materiality of events and information: I. the event or information, omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or II. the event or information, omission of which is likely to result in significant market reaction if disclosure or disclosure regarding omission came to light at a later date; III. In case where the criterion specified in sub-clauses (I) and (II) are not applicable, an event/information may be treated being material, if in the opinion of the Board of Directors of the Company, the event or information is considered material.

3.2 Quantitative Materiality Thresholds The event or information the impact of which is more than 20% of the turnover or 20 % of the net worth of the Company, whichever is higher as the case may be. These thresholds shall be determined on the basis of audited standalone financial statements of the Company for the preceding financial year.

4. DISCLOSURES

4.1 The events mentioned in PART–A: Disclosures of Events or Information as per Schedule III of the Regulations shall be disclosed without any application of the guidelines of materiality. The indicative list of such events contained in the Regulations shall form part of this policy. (Sub regulation (4) of Regulation 30).

4.2 The events and information conforming to the materiality thresholds as specified in Clause 3.1 or Clause 3.2 above for the purpose of disclosure to the Stock Exchanges in terms of Regulation 30 (3) of the Listing Regulations shall be as contained in Annexure - A and shall form part of this policy.

4.3 The Company shall disclose the information to the Stock exchanges in accordance with the Regulations and circulars issued by SEBI from time to time.

4.4 The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, 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.

4.5 The Company shall also disclose any other event or information to the Stock Exchanges which is considered material by the Board of Directors of the Company.

5. AUTHORITY

5.1. The Board of Directors of the Company has authorised the Managing Director, Whole Time Directors, Chief Financial Officer and Company Secretary (“Authorised persons”), any two of them acting jointly, to determine the materiality of any event/information for the purpose of disclosure to the Stock Exchanges.

5.2 Normally, the Company Secretary shall make necessary disclosures of events or information to the Stock Exchanges under Regulation 30 of Listing Regulations. However, such disclosures can also be made either by Chief Financial Officer or Whole Time Director/Executive Chairman of the Company.

6. AMENDMENT

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. In case any provisions in this policy, which is inconsistent with the

provisions of Companies Act, 2013 and any rules made thereunder and Regulations, (“Statutory Enactments”) he provisions of statutory enactments shall prevail.