

SENORES PHARMACEUTICALS LIMITED

MATERIALITY POLICY

INTRODUCTION:

This policy (“**Policy**”) has been formulated to define the respective materiality policies in respect of Senores Pharmaceuticals Limited (the “**Company**”), pursuant to the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) (“**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of companies to be disclosed as Group Companies in the Offer Documents (as defined below);
- B. Identification of ‘material’ litigation involving the Company, its subsidiaries, its promoters and its directors (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters); and
- C. Identification of ‘material’ creditors

APPLICABILITY

The board of directors of the Company (“**Board**”) at their meeting held on July 11, 2024 discussed and approved this, Policy. This Policy shall be effective from the date of approval of the policy by the Board.

In this Policy, the term “**Offer Documents**” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus to be filed and/ or submitted by the Company in connection with the proposed initial public offering of its equity shares comprising of fresh issue and offer for sale with the Securities and Exchange Board of India, the Registrar of Companies, Gujarat at Ahmedabad and/or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents

A. IDENTIFICATION OF COMPANIES TO BE DISCLOSED AS GROUP COMPANIES IN THE OFFER DOCUMENTS

Requirement:

As per the requirements of the SEBI ICDR Regulations, group companies include such companies (other than the subsidiaries and the corporate promoters) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under Ind AS 24, and also other companies as considered material by the Board.

The policy on identification of companies to be disclosed as group companies (other than those covered under Ind AS 24), as below, shall be disclosed in the Offer Documents.

Policy on materiality:

For the purpose of disclosure in the Offer Documents, a company shall be considered material and will be disclosed as a 'Group Company' in the Offer Documents if:

- (i) The Company has entered into related party transactions with companies (other than the Subsidiaries) as described under Ind AS 24 with such company during any of the financial periods being included in the Offer Documents;
- (ii) A company (other than the promoters and subsidiaries) and companies categorised in (i) above will be considered material and shall be disclosed as a group company in the Offer Documents if: (i) such company is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and (ii) the Company has entered into one or more transactions with such company during the last fiscal year, in respect of which restated consolidated financial statements are included in the Offer Documents, which cumulatively exceeds 10% of the total revenue of the Company for the last fiscal year derived from the restated consolidated financial statements;and
- (iii) any other company as may be identified as material by the Board.

B. IDENTIFICATION OF 'MATERIAL' LITIGATION INVOLVING THE COMPANY, ITS SUBSIDIARIES, ITS PROMOTERS AND ITS DIRECTORS (EXCLUDING DISCIPLINARY ACTIONS AGAINST THE PROMOTERS, CRIMINAL PROCEEDINGS, STATUTORY/REGULATORY ACTIONS AND TAXATION MATTERS)

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, its Directors, Promoters and Subsidiaries (collectively "**Relevant Parties**"):

- (i) All outstanding criminal proceedings, including matters which are at first information report stage;
- (ii) All outstanding actions by regulatory authorities and statutory authorities, including notices by such authorities;
- (iii) Disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years preceding the relevant offer documents and to be disclosed in the relevant offer document, including outstanding action;
- (iv) Outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and

- (v) Other pending litigations involving the Relevant Parties, which are determined to be material as per the policy of materiality defined by the Board and disclosed in the Offer Documents.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies which has a material impact on the Company.

Policy on materiality:

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation, as mentioned in (v), involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

- (i) Monetary threshold: the aggregate monetary amount of claim by or against the Relevant Parties in any such pending proceeding is in excess of five (5) percent of the average of absolute value of profit or loss after tax of the Company on a consolidated basis, as per the last three financial years restated consolidated financial information, i.e. financial years 2022, 2023 and 2024, included in the Offer Documents; or
- (ii) Subjective threshold: such pending matters which are not quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows or the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings exceeds the threshold, even though the amount involved in an individual proceeding does not exceed the threshold ; or
- (iii) Additional threshold: there are any findings or observations arising out of any of the inspections by the Securities and Exchange Board of India or by any other regulator in or outside India, which are outstanding.

It is clarified that for the purpose of this Policy, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities or notices threatening criminal action) shall, in any event, not be considered as litigation and evaluated for materiality, until such time that Relevant Parties are impleaded as defendants in litigation proceedings before any judicial/arbitral forum or unless decided otherwise by the board of directors of the Company.

C. IDENTIFICATION OF 'MATERIAL' CREDITORS

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- (i) based on the policy on materiality defined and adopted by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved will be disclosed in the Offer Documents; and
- (iii) complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Offer Documents.

Policy on materiality:

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents, if the amounts due to such creditor exceeds 5% of the restated consolidated total trade payables of the Company as of the end of the latest financial period covered in the restated consolidated financial statements disclosed in the Offer Documents.

GENERAL

It is clarified that the Policy is solely for the purpose of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time. All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

The absolute values of the thresholds mentioned above will be determined once the restated consolidated financial statements are made available.
