

This materiality policy (“this **Policy**”) has been formulated to define the materiality thresholds in respect of the proposed initial public offering of the equity shares of Sudeep Pharma Limited (the “**Company**”), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) (“the **SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of material companies to be disclosed as group companies of the Company;
- B. Identification of ‘material’ outstanding litigation involving the Company, its Subsidiaries, its Promoters and its Directors, as applicable (collectively, the “**Relevant Parties**”) (in addition to all criminal proceedings and actions by statutory/regulatory authorities); and
- C. Identification of ‘material’ creditors of the Company.

APPLICABILITY

The board of directors of the Company (the “**Board**”) at their meeting held on 27th October 2025, discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

“**Offer Documents**” means the draft red herring prospectus, the red herring prospectus and the prospectus (each along with any addenda or corrigenda, thereto) to be filed and/or submitted by the Company, in connection with the proposed initial public offering of its equity shares, with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Gujarat at Ahmedabad and 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 material companies to be disclosed as group companies of the Company

Requirement:

As per the requirements of the SEBI ICDR Regulations, group companies include (i) such companies (other than the subsidiaries, if any, and the 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 the applicable accounting standards; and (ii) other companies as considered ‘material’ by the Board.

Policy on materiality:

CIN: U24231GJ1989PLC013141

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For the purpose of point A.(i) above, all such companies (other than subsidiaries of the Company) with which there were related party transactions, during the period for which Restated Consolidated Financial Information is disclosed in the Offer Documents, as covered under applicable accounting standards, shall be considered as group companies of the Company.

It is further clarified that, for the purposes of A. (i) above, a company which was a subsidiary for any of the relevant periods included in the Restated Consolidated Financial Information but has ceased to be a subsidiary of the Company post any of the relevant periods included in the Restated Consolidated Financial Information, shall be considered as a group company of the Company if there were related party transactions with such company during the period for which Restated Consolidated Financial Information is disclosed in the Offer Documents, as covered under applicable accounting standards.

In addition to the above, for the purposes of A. (ii) above, all such companies (other than the subsidiaries of the Company and companies categorized under A. (i) above) shall be considered material and will be disclosed as a 'Group Company' in the Offer Documents, (a) if such companies are a part of the Promoter Group, and with which the Company has entered into one or more transactions in the most recent financial year, including the stub period, as applicable, as disclosed in the Restated Consolidated Financial Information included in the Offer Documents, exceeds individually or in the aggregate, 10% of the total restated revenue from operations of our Company for the most recent financial year for which Restated Consolidated Financial Information are included in the Offer Documents; or (b) any other companies considered material by the Board of Director of the Company.

B. Identification of 'material' litigation

I. Requirement

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following classes of outstanding litigation involving Relevant Parties:

- (i) All outstanding criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court) involving the Key Managerial Personnels and Senior Management of the Company in addition to the Relevant Parties, who have been identified in accordance with the SEBI ICDR Regulations;
- (ii) All outstanding actions (including all penalties, warning letters and show cause notices) by statutory and/ or regulatory authorities, against the Key Managerial Personnels and Senior Management of the Company in addition to the Relevant Parties, who have been identified in accordance with the SEBI ICDR Regulations;. Please note that, unless the relevant authority has closed (in writing) a matter arising from a historical notice, any past notices received will be considered outstanding;

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- (iii) Disciplinary action including penalty imposed by SEBI or any of the stock exchanges against any of the Promoters in the last five financial years preceding the date of the relevant Offer Document, including any outstanding action;
- (iv) Taxation proceedings – all outstanding claims, separately for direct and indirect taxes for the Relevant Parties, in a consolidated manner giving details of number of cases and total amount involved in such cases (with separate disclosures regarding material claims related to direct or indirect taxes). Further if the amount involved in any such claims exceeds the materiality threshold, such matter(s) shall be disclosed on an individual basis; and
- (v) Other pending litigation (including civil litigation or arbitration proceedings) involving the Relevant Parties – As per the policy of materiality defined by the Board and disclosed in the Offer Documents.

For the purposes of (ii) above, notices issued by statutory or regulatory authorities received by the Relevant Parties, Key Managerial Personnel or the Senior Management of the Company which are in the nature of information request shall not be disclosed. For the purposes of (iv) above, show cause notices, demand notices and any claims received in writing by the Relevant Parties have been considered and requests for information or clarifications, if any, received without any claim amount have not been considered.

II. *Policy on materiality*

Other than litigations mentioned in paragraphs B(I) above, any other pending litigation involving the Relevant Parties shall be considered “material” for the purpose of disclosure in the Offer Documents if:

- (i) the aggregate monetary amount of claim or expected impact in terms of value involved, whether by or against the Company, its Subsidiaries, its Directors, or its Promoters, in any such pending litigation is in excess of the lower of the following:
 - (a) Two percent of the net worth of the Company as per the Restated Consolidated Financial Information as at the end of the preceding financial year, except in case the arithmetic value of the net worth is negative; or
 - (b) Two percent of turnover of the Company as per the Restated Consolidated Financial Information as at the end of the preceding financial year; or
 - (c) Five percent of the average of absolute value of profit/loss after tax of the Company as per the last three year’s Restated Consolidated Financial Information (the "**Materiality Threshold**");

For the purpose of clause (c) above, it is clarified that the average of absolute

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value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

- (ii) pending litigations where the decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; or
- (iii) such pending litigation the outcome of which has a material bearing on the Company's business, operations, financial results, performance, prospects or reputation, irrespective that the amount involved in such litigation may not meet the Materiality Threshold or that the monetary liability of such litigation is not quantifiable.

For the purposes of (I) and (II) above, pre-litigation notices received by the Relevant Parties, Key Managerial Personnel and Senior Management of the Company (excluding actions as covered under (I)(ii) above), have not been considered as litigation until such time that any of the Relevant Parties are impleaded as a defendant in the litigation proceedings before any judicial forum or arbitral forum.

III. *Group companies' litigation*

In addition to the litigation specified in B(I) and B(II), in accordance with the SEBI ICDR Regulations, the Company is also required to disclose any pending litigation involving its group companies (as identified under Paragraph A above, hereinafter "**Group Companies**"), which has a material impact on the Company in the opinion of the Board. All Group Companies will identify in their certificates pending litigation involving such companies which are considered material by the respective Group Company and which, in their view may have a material impact on the Company. Having received details of such litigation from the Group Companies, the Company (through the Board/IPO Committee shall consider such outstanding litigation involving the Group Companies as material, which have a material bearing on the Company's business, operations, financial results, performance, prospects or reputation, irrespective of the amount involved in such litigation.

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:

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- (i) based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises (“**MSME**”) and other creditors, separately giving details of number of cases and aggregate amount involved; and
- (iii) complete details about outstanding over-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.

For outstanding dues to MSME and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 read with Section 7 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report.

Policy on materiality:

For identification of a material creditor, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents and the website of the Company, if amounts due to such creditor is equivalent to or in excess of five percent of the total trade payables of the Company as at the end of the most recent Consolidated Financial period covered in the Restated Consolidated Financial Information included 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, after the listing of the equity shares of the company

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder or by SEBI and/ or such other regulatory 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 additional disclosures that may arise on account of 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.

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