

# Policy for Determination of Materiality of Event or Information

**Version 1.2**

## Revision History

Version No.	Date	Prepared By / Modified By	Overview of Changes	Approved By
1.0	January 20, 2016	Sneha Padve	Original Policy	Board of Directors
1.1	March 26, 2019	Sneha Padve	Change of Company Name	Board of Directors
1.2	July 27, 2023 Effective Date: July 14, 2023	Sneha Padve	Policy amended to incorporate changes in the SEBI (LODR) Regulations, 2015	Board of Directors

## 1. Introduction

Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“the SEBI (LODR) Regulations, 2015”], mandates framing of a Policy by all listed companies for determination of materiality of an event or information based on criteria which, in the opinion of the Board of the Company, is material to the investors and its necessary disclosure.

Accordingly, the Company has formulated the Policy for Determination of Materiality of Events or Information (“the Policy”) in compliance with the SEBI (LODR) Regulations, 2015.

## 2. Definitions

- a) In this Policy unless the context otherwise requires:
- (i) **“Board”** means the board of directors of the Company;
  - (ii) **“Company”** means Birlasoft Limited;
  - (iii) **“Key Managerial personnel”** or **“KMP”** shall have the meaning ascribed to it in the Companies Act, 2013 and the Rules made thereunder.
  - (iv) **“Mainstream media”** shall include print or electronic mode of the following:
    - Newspapers registered with the Registrar of Newspapers for India;
    - News channels permitted by Ministry of Information and Broadcasting under Government of India;
    - Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
    - Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;
  - (v) **“Officer”** means officer as defined under the Companies Act, 2013 shall also include promoter of the Company.
  - (vi) **“Policy”** means this ‘Policy for Determination of Materiality of Events or Information’.
  - (vii) **“Relevant Employee”** means any employee who is aware of an event/information which may be considered material as per this Policy.
  - (viii) **“Stock Exchange”** means the stock exchanges where the Securities of the Company are listed.
  - (ix) **“SEBI”** means “Securities and Exchange Board of India.”
- b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and the SEBI (LODR) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

### 3. Disclosure of Events or Information

The Company shall make disclosures of any events or information which, in the opinion of the Board of Directors is material.

The Company shall mandatorily disclose the events as specified in Para A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015 as may be amended from time to time without applying any test of materiality.

The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the SEBI (LODR) Regulations, 2015 as may be amended from time to time if they are considered material based on the guidelines for materiality, as specified hereinafter.

In addition to the above, any other information/event viz. major development that is likely to affect, business or share price, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. which is exclusively known to the Company & 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, be also disclosed to the Stock Exchanges.

In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

In case of an event or information required to be disclosed in terms of the provisions of Regulation 30 of the SEBI (LODR) Regulations, 2015, 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.

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

### 4. Criteria for Determination of Materiality of Event or Information

Subject to provisions of the Regulations, materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the event/information. The Company shall consider the following criteria for determination of materiality of events/ information:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) 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; or
- c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - i. two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - ii. two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
  - iii. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company

- d) In case where the criteria specified in sub-clauses (a), (b) and (c) 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.

## **5. Guidance on when an Event or Information can be said to have occurred**

- i. The events/information which require any Board approval, shall be said to have occurred upon receipt of requisite approval.
- ii. In case of the events/information such as natural calamities, disruption etc. or which arises on account of third-party action, it can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

## **6. Prompt Disclosure of Material Events**

The Company shall disclose to the Stock Exchanges all the events/information which are material in terms of Regulation 30 of the SEBI (LODR) Regulations, 2015 read with Schedule III thereto, as soon as reasonably possible and in any case not later than the following:

- a. thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines and in case the disclosure is made after the specified timelines, the Company, along with such disclosure, also provide to the Stock Exchanges, the explanation for the delay.

The Company shall make disclosures on the Stock Exchanges updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed with relevant explanations.

The Company shall also provide specific and adequate reply to all queries raised by the stock exchanges with respect to any event/information.

The Company may on its own initiative, confirm or deny any reported event or information in the mainstream media to the Stock Exchanges, which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of Regulation 30 of SEBI (LODR) Regulations, 2015 are circulating amongst the investing public.

The Company shall also disclose on its website all such events or information which have been disclosed to the Stock Exchange under Regulation 30 of SEBI (LODR) Regulations, 2015, and such disclosures shall be hosted on the website for a minimum period of five years and thereafter as per the archival policy of the Company.

## 7. Authority for Determination of Materiality of Event or Information:

The Chairman of the Board, the CEO & Managing Director and the Chief Financial Officer shall severally decide the “Materiality” of any event or information based on the criteria issued by SEBI and intimate the Company Secretary or Head of Investor Relations to disclose the said information to the Stock Exchange(s).

The relevant employees of the Company should inform the Chief Financial Officer or CEO & Managing Director if they come across any potential event or information with adequate supporting data/information for determining the materiality of the said event or information and for making the necessary disclosures to the Stock Exchanges. Such event or information should not be promoted through social media intermediaries or mainstream media till the said event or information is not publicly available.

## 8. Disclosure

This Policy shall be uploaded on the website of the Company.

## 9. Review and amendment of the Policy

The Board shall review the Policy from time to time based on the changing needs and make suitable modifications as may be necessary. The Board can also amend the Policy from time to time in accordance with requirements of, and to ensure compliance with, the provisions of the SEBI (LODR) Regulations, 2015.

***In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.***

# birlasoft

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