

# Policy for Determination of Materiality of Event or Information

**Version 1.4**

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**Revision History**

Version No.	Release Date	Function	Reviewed by	Approved by	Description of Change
1.0	20/01/2016	Corporate Secretarial	Company Secretary & Compliance Officer	Board of Directors	Original Policy
1.1	26/03/2019	Corporate Secretarial	Company Secretary & Compliance Officer	Board of Directors	Change of Company Name
1.2	27/07/2023 Effective Date: 14/07/2023	Corporate Secretarial	Company Secretary & Compliance Officer	Board of Directors	Policy amended to incorporate changes in the SEBI (LODR) Regulations, 2015
1.3	23/10/2024	Corporate Secretarial	Company Secretary & Compliance Officer	Board of Directors	Policy amended to incorporate changes in the SEBI (LODR) Regulations, 2015
1.4	11/02/2025	Corporate Secretarial	Company Secretary & Compliance Officer	Board of Directors	Policy amended to incorporate changes in the SEBI (LODR) Regulations, 2015

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## 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 Event 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 Indian Newspapers, Digital/Online News Sources, International Media and News Channels and shall have the meaning prescribed to such terms under the SEBI (LODR) Regulations, 2015, read with related SEBI Circulars, Notifications, Guidance Note, and Industry Standards as recognized by the SEBI and as may be amended from time to time.
- (v) **“Material Price Movement”** means the price calculated as per the framework issued by the Stock Exchanges/SEBI from time to time.
- (vi) **“Officer”** means officer as defined under the Companies Act, 2013 shall also include promoter of the Company.
- (vii) **“Policy”** means this ‘Policy for Determination of Materiality of Event or Information’.
- (viii) **“Relevant Employee”** means any employee who is aware of an event/information which may be considered material as per this Policy.
- (ix) **“Stock Exchange”** means the stock exchanges where the Securities of the Company are listed.
- (x) **“SEBI”** means “Securities and Exchange Board of India.”
- (xi) **“SEBI (LODR) Regulations, 2015”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act, the SEBI (LODR) Regulations, 2015, SEBI Circulars,

Notifications, Guidance Note, Industry Standards as recognized by SEBI and 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.

Additionally, pursuant to Regulation 30(11A) of the SEBI (LODR) Regulations, 2015, the promoter, Director, KMP or senior management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the requirements under Regulation 30(11) of these Regulations and the Company shall disseminate the response received from such individual(s) promptly to the Stock Exchanges.

### **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.
- e) Upon applicability of the provisions with respect to Market Rumour verification, the Company, shall confirm, deny, or clarify, any reported event/information in the Mainstream Media, which is not general in nature, and which indicates that rumour of an impending specific event or information is circulating amongst the investing public; provided such rumour results in a material price movement in the shares of the Company, determined in the manner prescribed under the Regulations read with the related SEBI Circulars, Notifications, Guidance Note, and Industry Standards from time to time.

If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

If the Company confirms within twenty four hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or pricing norms provided under Regulation 8 or Regulation 9 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or pricing norms provided under Regulation 19 or Regulation 22B of the SEBI (Buy-back of Securities) Regulations, 2018 or any other pricing norms specified by SEBI or the stock exchanges are applicable, then the effect on the price of the equity shares of the Company due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by SEBI.

The unaffected price framework shall be considered for the unaffected price to be taken for transactions upon confirmation of market rumour. The said framework shall be as per the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/51 dated May 21, 2024, as may be amended from time and time.

For the abovementioned purpose, the Company shall also monitor the rumour published in the international media, for those foreign jurisdictions where the Company has material business operations.

Criteria for determination of material business operations:

Any foreign country that contributes ten percent or more to the Company's consolidated turnover, based on the last audited consolidated financial statements will be considered as having material business operations.

In respect of the aforesaid jurisdictions, the new sources specified in the Industry Standards note on verification of market rumours, would be tracked.

The list of jurisdictions and news sources shall be reviewed and updated annually by Head – Marketing & Communication and the Chief Financial Officer after the approval of the annual audited financial statements.

Regulation 30(11) shall not be applicable to market rumours that are vague or general in nature.

## **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;

In case the board meeting closes after normal trading hours (i.e, time period for which the recognized stock exchanges are open for trading for all investors) of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting.

Further in case the Board Meeting is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- 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.

If all the relevant information including pendency or outcome thereof, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute,

which may have an impact in the Company, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by 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 format of disclosures shall be as prescribed by SEBI from time to time.

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. Thereafter, the Company Secretary or Head of Investor Relations and in their absence, the Chief Financial Officer is authorized to disclose the said information to the Stock Exchange(s). The contact details of such personnel are available on the website of the Company at <https://www.birlasoft.com/company/investors/corporate-governance>.

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. The details so submitted shall be authentic and comprehensive to enable the authorized officials to make an informed decision and make appropriate disclosures if deemed necessary. The Relevant Employees may approach the authorized officials for seeking guidance/clarity to ensure effective implementation of this Policy. 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.*