

**SOFTVAN LIMITED**

**POLICY FOR DETERMINATION OF MATERIALITY**

**[In Accordance with regulation 30 of SEBI (Listing Obligations and Disclosure Requirements),  
2015]**

## **1. BACKGROUND:**

As per Regulation 30(4)(ii) of the SEBI (LODR) Regulations every listed entity shall make disclosures of any events or information which, in the opinion of the Board of Directors of the listed company, is material as well as any price sensitive information. The listed entity shall frame a policy for determination of materiality, based on the specified criteria duly approved by its board of directors, which shall be disclosed on its website.

The Board of Directors (the "Board") of Softvan Limited (the "Company") had adopted "Material Events Policy" effective from the date of listing on stock exchange. The Board of Directors have approved this "Policy for Determination of Materiality" at their meeting held on 30<sup>th</sup> March, 2025.

The Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information for the purpose of making disclosures.

In view of the same, this "Policy for Determination of Materiality" of Softvan Limited ("the Company" or "SL") has been framed considering that stakeholders of the Company need timely, sufficient & reliable information and communication regarding material events that matters / makes influence on the Company as also the regulatory requirements in compliance with Regulation 30 of the SEBI (LODR) Regulations.

## **2. POLICY OBJECTIVE:**

To define principles and guidelines to determine the materiality of events/information for the purpose of making timely, adequate and transparent disclosure of material events/information to the stock exchanges so as to enable the investors to take well informed decisions and ensure uniformity in the Company's approach towards making disclosures of material events/ information.

## **3. DEFINITION:**

### **a. "Authorized Key Managerial Personnel":**

Regulation 30, Sub Regulation (5), provides that the Board shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

Further, Authorised Key Managerial Personnel means Executive Director or Chief Financial Officer or Company Secretary & Compliance Officer or such other officer/department head as may be authorised by the Board of Directors of the Company from time to time, who are authorised, individually or jointly, for determining the materiality of an event or information that qualifies for disclosure and to decide the appropriate time and details of the disclosure(s) to be made to the Stock Exchange(s).

### **b. "Material events":**

Material Events means an event as set out in the Schedule or individual transaction or arrangement which, in the opinion of the authorised Key Managerial Personnel is significant to the operations or performance of the Company as well as any price sensitive information.

**c. "Policy":**

Policy or this policy means **"Policy for Determination of Materiality"**.

**d. "Price Sensitive Information":**

"Price-sensitive information" means any information which relates, directly or indirectly, to the Company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.

**e. "Relevant Employees"**

"Relevant Employees" shall encompass the head of the departments of the Company and one level below such Functional heads head of departments and shall include employees of the Company who deals with or comes into possession of potential material event or information in the course of the performance of his/her duties.

**f. "Schedule"**

Schedule means Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**g. "Stock Exchange":**

Stock Exchange means any of the recognized stock exchange as defined under clause (f) of section 2 of Securities Contracts (Regulation) Act, 1956.

All other Words and expressions used and not defined in this Policy but defined in the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015 , the Securities and Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and/or rules and regulations made there under shall have the same meaning respectively assigned to them in those Act/Regulations or any statutory modification or re-enactment thereto, as the case may be.

**4. "POLICY":**

As per this policy, the Company shall as soon as reasonably possible, inform the Stock Exchange(s) of all the events or information which shall have material impact on the performance/operations of the Company, as well as any price sensitive information.

The "Authorised Key Managerial Personnel" shall be entitled to take a view on the materiality of an event or information which are qualifying for disclosure as provided in Para B of Part A of Schedule III of the SEBI (LODR) Regulations and to decide the appropriate time at which such disclosure is to be made with the Stock Exchange(s) and details that may be disclosed in the best interest of present and potential investors as well as stakeholders.

**5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information. The following criteria will be applicable for determination of materiality of event or information:

- 1) All events/information stated in Para A of Part A of Schedule III to the SEBI Regulations (as listed in Annexure A to this Policy) are deemed to be material.

- 2) In respect of events/information stated in the Para B of Part A of Schedule III to the SEBI Regulations (as listed in Annexure B to this Policy) the Authorized Key Managerial Personnel 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 listed entity;
    - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, 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 listed entity.
  - d. In case where the criteria specified in sub-clauses (a), (b) and (c) above is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.
- 3) In respect of events/information other than stated in Para A and Para B of Part A of Schedule III to the SEBI Regulations, following criteria shall be applied for determination of materiality of events/information including for subsidiaries of the Company:
- a. Criteria specified in Clause 5(2) above;
  - b. Whether the event/information relates directly/indirectly to the Company and which if published is likely to materially affect the price of securities of the Company; or
  - c. Whether in the past there has been demonstrated price volatility in the Company's securities (or in the securities of comparable companies) in response to disclosures of a type similar to the event/information; or
  - d. Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or
  - e. Whether the event/ information represents a significant shift in strategy; or
  - f. Any other factor which is pertinent in the opinion of the Authorized Officer of the Company.

The above thresholds shall be determined based on last audited consolidated financial statements of the Company.

**6. MECHANISM TO BE ADOPTED FOR IDENTIFYING AND REPORTING POTENTIAL MATERIAL EVENT/INFORMATION BY RELEVANT EMPLOYEES :**

- 1) During the course of performance of one's role, the Relevant employee/(s) shall be responsible for identifying pertinent events/information as mentioned in Annexure A & B which has potential to be classified as material events/information as per the policy.
- 2) Upon identification of potential material events/information, the relevant employee shall promptly report the details of such potential material events/information in the format as

mentioned in Annexure C to the Authorized Key Managerial Personnel.

- 3) The aforesaid details can be submitted to the Authorised Personnel by the Relevant Employee using written communication methods such as emails, internal memos, or any other appropriate means. The details so submitted shall be authentic and comprehensive to enable the Authorized Key Managerial Personnel to make informed decision/ take appropriate actions.
- 4) The Relevant Employees should exercise necessary diligence to ensure confidentiality of the details being submitted/so submitted to the Authorized Key Managerial Personnel.
- 5) The Relevant Employees may approach the Authorized Key Managerial Personnel for seeking guidance/clarity to ensure effective implementation of this policy.
- 6) The Company Secretary/ Compliance Officer of the Company may conduct periodic trainings/sensitization programmes and/or release FAQs, referendum, framework to further assist relevant employees for effective implementation of this policy.

## **7. AUTHORITY**

- 1) The Authorised Key Managerial Personnel are severally authorized to determine materiality of event/ information and disclose such material events / information to the stock exchanges.
- 2) The Authorized Key Managerial Personnel shall ensure that the updated Policy is placed on the Website of the Company at all times.
- 3) The Authorized Key Managerial Personnel shall also disclose on the website of the Company all such events/information which have been disclosed to Stock Exchanges under this Policy, and such disclosures shall be hosted on the website for a period of five years and thereafter as per the policy of the Company on Preservation & Archival of Documents & Record.
- 4) Any decision taken by the Authorised Personnel jointly shall be valid and binding on the Company. Their contact details shall be disclosed to the stock exchange and also be placed on the Company's website.
- 5) However, wherever required, and considering any specific/ significant circumstances including business exigency/ calamities which may arise, either simultaneously or subsequently, approval of the Board / Executive Committee or Chairperson of the Board may be taken for disclosing any such event or information.
- 6) The above Authorized Key Managerial Personnel are also empowered to seek appropriate counsel or guidance as and when deemed necessary.
- 7) The Authorized Key Managerial Personnel shall provide specific and adequate reply to all queries raised by Stock Exchanges with respect to any event/information.

## **8. DISCLOSURE OF EVENTS/ INFORMATION TO THE STOCK EXCHANGES:**

- 1) The Company shall disclose all events or information which are material in accordance with the Policy 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 listed entity;
- c. twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified above of the occurrence of such event/ information, the Company shall, along with such disclosure(s) provide an explanation for the delay.

- 2) The Company shall disclose to the stock exchange(s) of material updates on the events/ information disclosed under this Policy till such time the event is resolved/ closed, with relevant explanations.
- 3) Without prejudice to the generality of provisions of this Policy, the Company may make disclosures of any event/ information as specified by the Board from time to time.

## **9. IMPLEMENTATION**

SL shall adhere to highest standards with regard to the implementation of this policy. The Executive Director(s) and Compliance Officer as well as Authorised Key Managerial Personnel of the Company shall have overall responsibility for implementing this policy and shall take internal/external approvals, wherever necessary.

## **10. REVIEW**

The Board of Directors of the Company shall have the right to review/amend the policy from time to time in compliance with regulatory requirements.

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## Annexure – A

### MATERIAL EVENTS/ INFORMATION TO BE MANDATORILY DISCLOSED TO THE STOCK EXCHANGE(S)

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

#### Explanation

(1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or
- (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –

(a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or

(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or

(c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.]

<company can also define unit or division for the said clause, if there is any>

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
3. New Rating(s) or Revision in Rating (s).

*Explanation: The above requirement to disclose rating shall also be applicable to the following:*

- a) Revision in rating even if it was not requested for by the listed entity or the request was later withdrawn by the listed entity.*
- b) Revision in rating outlook even without revision in rating score.*
- c) ESG ratings by registered ESG Rating Providers*

4. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- b) any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;
- d) the decision with respect to fund raising proposed to be undertaken;
- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g) short particulars of any other alterations of capital, including calls;
- h) financial results;
- i) decision on voluntary delisting by the Company from stock exchange(s).

[Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.]

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

(5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation (1): For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

*<company can define normal course of business if required>*

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad;
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.
- 7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor.

- 7B. Resignation of independent Director including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- a) Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
  - b) The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
  - c) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause a. above
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
- 7D. In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (i) Decision to initiate resolution of loans/borrowings;
  - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
  - (iii) Finalization of Resolution Plan;
  - (iv) Implementation of Resolution Plan;
  - (v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.].
10. One time settlement with a bank
11. Winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of Analyst or institutional investor meet [at least two working days in advance (excluding the date of the intimation and the date of the meet)] and presentations on financial results made by the Company to analysts or institutional investors.
16. Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code
17. Initiation of Forensic audit.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity. Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) search or seizure; or
  - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i. name of the authority;
    - ii. nature and details of the action(s) taken, initiated or order(s) passed;
    - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
    - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
    - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) suspension;
  - (b) imposition of fine or penalty;
  - (c) settlement of proceedings;
  - (d) debarment;
  - (e) disqualification;
  - (f) closure of operations;
  - (g) sanctions imposed;
  - (h) warning or caution; or
  - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) initiated, taken or orders passed:
- i. name of the authority;
  - ii. nature and details of the action(s) taken, initiated or order(s) passed;
  - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
  - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
  - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.]

## ANNEXURE – B

### FOLLOWING IS THE LIST OF EVENTS / INFORMATION TO BE DISCLOSED TO THE STOCK EXCHANGE(S) BASED ON MATERIALITY GUIDELINES:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

*Explanation- For the purpose of this sub-paragraph, "unit" would mean \_\_\_\_\_; "division" would mean \_\_\_\_\_*

2. Any of the following events pertaining to the listed entity:
  - a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - b) adoption of new line(s) of business; or
  - c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/ bagged orders/ contracts not in the normal course of business.

*<company can define normal course of business>*

5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.

*<company can define normal course of business>*

6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the Listed entity.
10. Options to purchase securities including any ESOP/ EСПS Scheme.
11. Giving of guarantees or indemnity or becoming a surety by whatever named called for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority."

*Explanation: For the purpose of determination of material events/ information, the value or expected impact in terms of value for each event or transaction shall be compared with the quantitative threshold specified in this policy.*

Without prejudice to the generality of Annexure A and B above, the Company may make disclosures of event/information as specified by its Board of Directors from time to time.

**Annexure C**

**Format for Submission of Information to Compliance Officer (to be filled by the relevant employee)**

<b>S. No.</b>	<b>Question</b>	<b>Remarks</b>
1.	Name of the Department	
2.	Name and Designation of originator of Information	
3.	Details of events/Information	
4.	Analysis/working, if any.  (For impact of such information on Company)	
5.	Source of Information	
6.	Calendar of Events/milestones (date wise)	
7.	Name of Persons with whom such information is shared along with PAN/other identifier detail in absence of PAN (internal/external)	

I, \_\_\_\_\_, hereby undertake that the aforementioned information provided by the undersigned is true and to the best of my knowledge. The information is provided in compliance with the Regulation 30 of the SEBI (Listed Obligations and disclosure requirements). The undersigned is being made aware that the above information will be kept strictly confidential and will not be shared except under the circumstances:

- a) Under any proceedings or pursuant to any order of courts or tribunals.
- b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law; and
- c) In compliance with applicable laws, regulations, rules, and requirements.
- d) In order to fulfil his/her duties/obligations

\_\_\_\_\_  
Name and Signature:

Place:

Date:

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**(Adopted as on 31<sup>st</sup> March,2025, Effective from the date of listing on stock exchange)**