

SOFTTECH ENGINEERS LIMITED

Policy for determination of materiality of information/events
for disclosure to the Stock Exchanges

(Last updated w.e.f. 11/08/2023)

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION/EVENTS FOR DISCLOSURE TO THE STOCK EXCHANGES

1. Introduction

The Securities and Exchange Board of India (“**SEBI**”) notified the SEBI (Listing Obligations and Disclosure Requirements) 2015 (“**Regulations**”) on September 2, 2015. The Regulations came into force from December 1, 2015. It is mandatory in terms of the Regulation 30 for every listed company to frame a policy for determination of materiality of information/events for the purpose of disclosing the same to the Stock Exchanges under the aforesaid regulation.

2. Preamble

The Board of Directors (the “**Board**”) of SoftTech Engineers Limited (“**SoftTech**” or the “**Company**”) approved the following policy for determination of materiality of Information/Events for Disclosure to the Stock Exchanges. This policy is effective from 3rd March, 2018 and shall be applicable for disclosures to be made by the Company effective this date. This Policy is subject to the Board’s review and changes, as may be appropriate, from time to time in conformity with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”), as amended from time to time.

3. Objective

The objective of this Policy is to facilitate timely and adequate disclosure of information or events which are deemed to be unpublished price sensitive and have a bearing on performance or operations of the Company. This policy is based on the principles governing the disclosures as stated in the Regulations and further lays down the guidelines for determining the materiality thresholds with respect to certain events or information of the Company as permitted under the Regulations.

4. Definitions

- a. “**Board**” means the Board of the Directors of the Company;
- b. “**Key Managerial Personnel**” or “**KMP**” means Chief Executive Officer and Managing Director, Chief Operating Officer and Executive Director, Chief Financial Officer, and Company Secretary of SoftTech Engineers Limited;
- c. “**Material Event(s)**” means those event/s specified in (i) Events specified in Para A of Part A of Schedule III of the Regulations (as amended from time to time), being deemed material events, which the Company shall compulsorily disclose and (ii) Events specified in Para B of Part A of Schedule III, based on application of the Guidelines/Criteria for Materiality as specified in 4(d) herein;

- d. **“Policy”** means this Policy for Determination of Materiality of Information/Events for Disclosure to the Stock Exchanges;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

5. **Applicability/Type of information**

The information covered by this Policy shall include “information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.

Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

The following events will be deemed to be Material Event/s based on application of the materiality guidelines to be decided by the Managing Director (MD) Mr. Vijay Gupta or Chief Financial Officer (CFO) Mr. Kamal Agrawal and they can be reached out at:

Contact No: 020 67183711

Email id: compliance@softtech-engr.com.

Registered Address: SoftTech Towers, S NO 1/1A/7 8 15 16 17 Plot No. B,C,D, 1-Baner, Opp. Royal Enfield Showroom, Baner Road, Pune: 411045

- ✓ Commencement or postponement in the date of commencement of commercial production or commercial operations of any unit/ division.
- ✓ change in general character or nature of business brought by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/ division;
- ✓ capacity addition or product launch;
- ✓ awarding, bagging/receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- ✓ agreements viz. loan agreements or any other agreements which are binding and not in the normal course of business including any revision or termination thereof;
- ✓ disruption of operations of one or more units or division of the Company due to natural calamity or force majeure conditions or events like strikes, lockouts etc.
- ✓ effects arising out of change in regulatory framework applicable to the Company;
- ✓ Litigations/ disputes/ regulatory actions with impact.
- ✓ fraud/defaults by directors or employees;
- ✓ Options to purchase securities including ESOP/ESPS scheme.
- ✓ giving guarantees or indemnity or becoming surety for third party;

- ✓ Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Any other major information or event likely to affect business which are exclusively known to the Company and which may be necessary to be disclosed to enable holders of securities to appraise its position and avoid establishment of false market in the securities also needs to be disclosed

6. Persons Responsible for disclosure

Pursuant to Regulation 30(5) of the Regulations, the Managing Director or the Chief Financial Officer be and are hereby severally authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchange(s) under the Policy. In their absence the Company Secretary be and is hereby authorized to determine materiality of an event or information for the purpose of making disclosures to stock exchange(s) under the Policy and Regulations.

7. Guidelines for determining Materiality

The Managing Director or CFO, Director, shall decide on the materiality of the event or information based on input received by them and the guidelines set in the guidance manual approved by the Board.

While determining the materiality of events/information, the following criteria will be considered:

(A) Qualitative criteria:

- i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii) 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.

(B) Quantitative criteria:

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.

In case where the criteria specified above are 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.

The relevant employees shall refer to the guidance note for identifying any potential material event or information, and reporting the same to Authorized Persons.

8. Guidance on when an event/information has occurred

- 8.1 An event/information can be said to have occurred
- a. In case of any discussions, negotiations or approval it would depend upon the stage of discussion, negotiation or approval.
 - b. in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., it would depend upon the timing when the Company became aware of the event/information.
- 8.2 In the former [8.1(a)], the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.
- However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.
- 8.3 In the latter [8.1(b)], the events/information can be said to have occurred when a listed entity 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.

9. Obligations of Internal Stakeholders and KMPs for Disclosure .

- a. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- b. The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.
- c. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

10. Contents of communication

The Communication to stock exchanges and public dissemination may contain the minimum details that need to be provided as stipulated by Regulations from time to time. In case, the Company is unable to disclose any specific details for any reason as stipulated by Regulations, it can make the disclosure without such specific details provided an appropriate reasoning for the same forms part of the disclosure.

While care should be exercised in making adequate and appropriate disclosures, it should also be ensured that the disclosure does not result in establishing a false market for the Company's securities.

11. Updation

The Company shall, with respect to the disclosures made pursuant to this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations therefore.

12. Manner of Disclosure

Any information to be disseminated is required to be given in a separate letter to Stock Exchange(s) and sent vide e-mail/ fax or posted on the electronic platform as specified by the stock exchanges. The Company shall also disclose on its website all such events or information which has been disclosed to stock exchange(s) under this Policy and, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Company's Archival Policy, as disclosed on its website.

13. Policy Review

The KMP(s) may review the Policy from time to time. Material changes to the Policy will need the approval of the Board of Directors. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

14. Dissemination of the Policy

As per the provisions of the SEBI Listing Regulations, the Policy shall be disclosed on the website of the Company.
