



## Sonata Software Limited

# Policy for Determining Material Events / Information



## **1. Objectives of the Policy**

The objectives of the Policy are as follows:

- 1.1 To ensure that the Company complies with the disclosure obligations under applicable regulations / laws;
- 1.2 To serve as a guiding charter to the Management and to ensure that the information disclosed by the Company is adequate, accurate, timely and transparent;
- 1.3 To ensure that the Corporate documents and public statements are accurate and do not contain any misrepresentation;

## **2. Definitions**

In this Policy, unless the context otherwise requires:

- 2.1 "**Sonata**" or "**Company**" means Sonata Software Limited and its material Subsidiaries.
- 2.2 "**Board**" shall mean the Board of Directors of the Company or a Committee(s) thereof.
- 2.3 "Key Managerial Personnel" means key managerial personnel as defined in sub section (51) of Section 2 of the Companies Act, 2013.
- 2.4 "**Listing Regulations**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.5 "**Promoter**" and "**Promoter Group**" shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of Regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2.6 "Subsidiary" means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.

All other terms not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, (including any statutory modification or re-enactment thereto) Rules thereunder, circulars and notifications issued thereto or any other applicable law or regulation to the extent applicable to Sonata.

## **3. Identification & Disclosure of "Material Events Or Information"**

- 3.1 Events or Information specified in **Para A of Part A of Schedule III** of Listing Regulations shall be considered to be "material events or information" and all such events or information shall be disclosed to the stock exchanges without any application of the criteria for materiality.

3.2 Events or Information specified in **Para B of Part A of Schedule III** of Listing Regulations shall be considered material and shall be disclosed to the stock exchanges only if application of the following criteria for materiality is met:

- 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;
  - ii. **two percent of net worth**, as per the last audited consolidated financial statements, 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;
- d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable an event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

3.3 The Company shall disclose any other information/event stated in Para C of Part A of Schedule III of Listing Regulations namely any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information 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.

3.4 Without prejudice to the generality of paras 3.1, 3.2 or 3.3 above, the Company may make disclosures of event/information as specified by the Board from time to time.

3.5 The Company shall disclose all events or information within the timelines specified and as stated in the Applicable Laws.

#### **4. Persons Authorised To Determine the Materiality of event or information**

The below mentioned Key Managerial Personnel of the Company are authorised by the Board for determining materiality of an event or information by unanimous consent for the purpose of disclosure to the stock exchanges;



- a. Managing Director and Chief Executive Officer;
- b. Chief Financial Officer; and
- c. Company Secretary

The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

In situations where the unanimous consent of all the above-mentioned Key Managerial Personnel cannot be obtained for any reason, the Managing Director & Chief Executive Officer shall be the final deciding authority to conclude on the materiality of an event / information and accordingly report the same.

#### **5. Guidance Framework**

In cases where the Company is asked questions as to when an event/information can be said to have occurred, it would be determined on the basis of:

- a) in certain instances depending upon the stage of discussion, negotiation or approval; and
- b) in 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.

As this Policy is pursuant to the applicable laws, if any change or modification to applicable laws or interpretation thereof necessitates any change to the Policy, then this Policy shall be read so as to accommodate the changes / modifications. The Authorised KMP will review the Policy to give effect to above, as and when need arise, till such time as the Board of Directors makes the necessary changes to the Policy. as mentioned below.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

#### **6. Effective Date:**

This Policy, as approved by the Board shall be effective December 1, 2015

#### **7. Amendment:**

This Policy shall be subject to review as may be deemed necessary by the Board of Directors. This Policy shall be amended in accordance with the amendments made vide notifications / circulars as may be published in Official Gazette of India from time to time. This policy was first amended on 29<sup>th</sup> July, 2023 and was latest amended on 25<sup>th</sup> October, 2023.

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