

POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION



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A. OBJECTIVE

The Policy is devised in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

B. DEFINITIONS

“Act” shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

“Authorized Persons” shall mean all Executive Directors/CFO/CS of the Company.

“Board of Directors” shall mean the Board of Directors of Nucleus Software Exports Limited

“Listing Regulations” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendment thereto and/or modification thereof from time to time;

“Material Event” or “Material Information” shall mean such event or information in terms of Part A of schedule III of Listing Regulation.

“Material Subsidiary” shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Listing Regulations.

“SEBI” means the Securities and Exchange Board of India.

“Stock Exchanges” means:

- (a) BSE Ltd and
- (b) National Stock Exchange of India Limited.

“The Policy” means Policy on Determination of Materiality for disclosure of events.

“The Company” means Nucleus Software Exports Limited and its Subsidiaries.

"Unless the context otherwise requires, words and expressions used in this Policy and not defined herein shall derive their meaning from Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company as amended from time to time shall have the meaning respectively assigned to them therein.

C. APPLICABILITY OF THE POLICY

This policy shall be applicable to all the events in the Company, as and when they fall under the criteria enumerated in the policy.

D. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR 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 determining materiality of event or information:

1. **Qualitative criteria** would mean an event/ information:
 - a) the omission of an event or information 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
2. **Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:
 - (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
 - (b) 2% (two per cent) of consolidated 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)); or
 - (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material, if in the opinion of the Board of the Company, the event or information is considered material.

E. CATEGORIES OF EVENTS/ INFORMATION:

Category I: The events as specified in Annexure I under Regulation 30 with Para A of Part A of Schedule III of the Listing Regulations shall be disclosed irrespective of Materiality. (*Annexure I- as referred in SEBI Listing Regulations as mentioned above*)

Category II: The events as specified in in Annexure II under Para B of Part A of Schedule III of the Listing Regulations shall be disclosed on application of the guidelines for Materiality defined in Clause D above. (*Annexure II - as referred in SEBI Listing Regulations as mentioned above*)

Category III: In case where the category specified in above clauses (i) to (ii) are not applicable, an event or 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.

Category IV: 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 their position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of above categories, the Company may make disclosure of events/information as specified from time to time.

F. PROCESS FOR DISCLOSURE

All events/information identified as material in line with the regulation and under this Policy shall be disclosed by the Authorized persons not later than the following:

- i. thirty minutes (30 mins) from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken.
- ii. twelve hours (12 hrs.) from the occurrence of the event or information, in case the event or information is emanating from within the company.
- iii. twenty-four hours (24 hrs.) from the occurrence of the event or information, in case the event or information is not emanating from within the company:

Provided that disclosure with respect to events or information for which timelines have been specified in Part A of Schedule III of the Listing Regulations, shall be made within such timelines or as per relevant circular of SEBI.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

G. COMMUNICATION OF THIS POLICY

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company. This Policy shall also be hosted on Company's intranet.

H. REVIEW OF THIS POLICY

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) in the Policy.

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 here under and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.