



MATERIALITY POLICY

FOR

HYPERSOFT TECHNOLOGIES LIMITED

POLICY ON DETERMINATION OF MATERIALITY

(as approved by the Board on 27th May, 2016)

1. Purpose and Scope

The policy on determination of materiality is mandated by the provisions of Regulation 30 of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The Company has to make disclosure of certain events based on the application of the guidelines for materiality.

The purpose of this document is to enable Hypersoft Technologies Limited to disclose any material events / information in accordance with the provisions of LODR.

The policy is intended to provide guidance to the Board of Directors and Key Managerial Personnel's (KMPs) on determination of materiality. The policy lays down responsibility of the Company to make public such events / information which may materially affect its performance and movement in the Share Price of the Company .

The policy is framed to identify, categorize, review and disclose to the Stock Exchanges, the details of event / information which are considered material and may have a bearing on the performance of the Company / materially affect the securities price of the Company.

2. Guidelines for materiality

Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about the reporting entity.

Materiality will be determined on case to case basis depending on specific facts and circumstances relation to the event / information. Further determination of materiality is primarily driven by qualitative and quantitative factors.

3. Policy

The Company shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the securities prices of the Company, which needs to be disclosed to the stock exchanges as per the time span specified against each category.

Category A :- Event / information considered Material in view of the Board of Directors which needs to be disclosed to the stock exchanges **as soon as possible but not later than 24 hours** from the occurrence of the event / decision taken at the Board Meeting without any application of the guidelines for materiality are :

- Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring), or sale or disposal of unit(s), division(s) or subsidiary of the Company or any other restructuring.
- 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.

- Revision in rating(s).
- 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.
- Fraud/defaults by promoter or KMP or by Company or arrest of KMP or promoter.
- Change in directors, KMP (Managing Director, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- Appointment or discontinuation or any change in share transfer agent.
- Corporate debt restructuring.
- One time settlement with a bank.
- Reference to BIFR and winding-up petition filed by any party / creditors.
- 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.
- Proceedings of Annual and extraordinary general meetings of the Company.
- Amendments to memorandum and articles of association of the Company, in brief.
- Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Category B :- Events / information considered Material in view of the Board of Directors which needs to be disclosed to the stock exchanges within 30 minutes of the closure of the Board Meeting without any application of the guidelines for materiality are :

- Declaration of Dividend and / or cash bonuses recommended or declared and other information pertaining to them.
- Cancellation of dividend with reasons thereof.
- Buyback of shares.
- Fund raising proposed to be undertaken.
- Increase in capital by issue of bonus shares and other information pertaining to them.
- Reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue.
- Alteration of capital.
- Financial results.
- Voluntary delisting from stock exchanges

Category C :- Miscellaneous events / information which shall be disclosed upon application of the guidelines for materiality are :

- Change in the general character or nature of business.
- New product/Service launch.
- Contracts/ Tenders which are not in the normal course of business.
- Agreements for loan not in the normal course of business.
- Disruption of operation of any one or more units due to natural calamity, force majeure.
- Effects arising out of change in regulatory framework applicable to the Company.
- Litigation / dispute / regulatory action(s) with impact.
- Fraud / defaults by Directors (other than KMP or employees)

- Options to purchase securities including ESOP/ESPS scheme.
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- Emergence of new technologies.
- Expiry of patents.

Other than those mentioned above each event in the Company shall be taken up for discussion between the Board and KMPs for determination of its materiality.

The Board authorises the KMPs to disclose such other events or information that in their wisdom may be necessary, to the stock exchange.

4. Authority for determination of Materiality of events / information.

Managing Director and Company Secretary of the Company are hereby severally authorised to determine whether an event / information in relation to the Company is material or not for disclosure based on the category of information as specified above to the stock exchanges. Such determination would be required to be communicated to the Company Secretary, head of Corporate Communication and head of Investor Relations for taking appropriate action.

5. Authorisation to KMPs to report and clarify any event or information.

Managing Director and Company Secretary are hereby severally authorised to report and clarify any event or information to the Stock Exchanges.

6. Review of the Policy

This policy shall be subject to review as may be deemed necessary to comply with any statutory modifications.

All the words and expressions used in this Policy, shall have meaning respectively assigned to them under the LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.
