

# INDIAN INFOTECH AND SOFTWARE LIMITED

CIN - L70100MH1982PLC027198

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## POLICY FOR DETERMINATION OF MATERIALITY

### 1. INTRODUCTION:

The Board of Directors (the "Board") of **INDIAN INFOTECH AND SOFTWARE LTD.** (the "Company") has adopted the following policy and procedures with regard to disclosure of events/information (Material) of the Company. This policy will be effective from 1st December, 2015.

### 2. PURPOSE:

This policy is framed keeping in view the requirement of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is required to make disclosures of any events or information which, in the opinion of the Board of Directors of the Listed Company, is material of the Company. The purpose of this Policy is to Determine Materiality of Events and Information based on criteria specified under Clause (i) of Sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchange.

### 3. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION:

The Company shall consider following criteria as specified in Clause (i) of Sub-regulation (4) of Regulation 30 of the Listing Regulations 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;
- c) In case where the criteria specified in Sub-Clauses (a) and (b) are not applicable, an event/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.

### PART A: DISCLOSURES OF EVENTS OR INFORMATION:

The following shall be events/information, upon occurrence of which Company shall make disclosure to Stock Exchange(s):

#### A. EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation:- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a Company, whether directly or indirectly, such that -

(a) The Listed Entity holds shares or voting rights aggregating to five per cent (5%) 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-para and such change exceeds two per cent (2%) of the total shareholding or voting rights in the said Company.

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. Revision in Rating(s).

4. Outcome of Meetings of the Board of Directors: The Listed Entity 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 Listed Entity from Stock Exchange(s).

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 Listed Entity), 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.

6. Fraud/defaults by Promoter or Key Managerial Personnel or by Listed Entity or arrest of Promoter or Key Managerial.

7. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc., Auditor and Compliance Officer.

8. Appointment or Discontinuation of Share Transfer Agent.

9. Corporate Debt Restructuring.

10. One Time Settlement with a Bank.

11. Reference to BIFR and 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 Listed Entity.

13. Proceedings of Annual and Extraordinary General Meetings of the Listed Entity.
14. Amendments to Memorandum and Articles of Association of Listed Entity, in brief.
15. Schedule of Analyst or Institutional Investor meet and presentations on financial results made by the Listed Entity to Analysts or Institutional Investors;

**B. EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED SUB-REGULATION (4) OF REGULATION (30):**

- I. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- II. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
- III. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- IV. Options to purchase securities including any ESOP/ESPS Scheme.

**4. PROCEDURAL GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION:**

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchange(s). Under the system, Heads of the Departments who are responsible for relevant areas of the Company's operations (Responsible Officers) must report to Mr. Kamal Nayan Sharma, Managing Director of the Company any event / information which may possibly be material or of which the Responsible Officer is unsure as to its materiality. The event / information should be reported immediately after a Responsible Officer becomes aware of it and the Director and the Company Secretary establishes its materiality. On receipt of communication of potential material event / information, the Company Secretary will;

- i. Review event / information and to take whatever steps necessary to verify its accuracy;
- ii. Assess whether the event / information is required to be disclosed to the Stock Exchange under the Listing Regulations;
- iii. Report the matter to Director of the Company, that event / information is material and requires disclosure under Regulation 30 of the Listing Regulations. Where the Director or Company Secretary is not certain about materiality of event / information, they may refer matter for External Legal Advice. The procedure to be followed in relation to the lodgement of announcement of material event / information is as follows:
  - i. **Prepare draft announcement to the Stock Exchange:** If the event /information is material, the Company Secretary will prepare draft announcement to the Stock Exchange which is factual and expressed in clear manner and obtain approval of Director of the Company.

ii. **Lodge Announcements:** The Company Secretary on behalf of the Company will lodge or arrange for lodgement of the announcement with the Stock Exchange.

iii. **Post announcement on website:** After lodgement of the announcement with the Stock Exchange, the Company Secretary will arrange to place it on the website of the Company. All the announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

#### **5. Communication of this Policy.**

For all new employees appointed as Responsible Officers and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, along with other HR related policies. For all

existing employees who are designated as Responsible Officers and Directors, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the website of the Company.

#### **6. Amendment**

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Subsequent modification(s)/amendment(s) to SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 shall automatically apply to this Policy.

#### **For Indian Infotech and Software Limited**

**Sd/-**

**Kamal Nayan Sharma,  
Managing Director**