

**POLICY FOR DETERMINATION OF MATERIALITY
FOR DISCLOSURE OF EVENTS OR INFORMATION
OF
MPS INFOTECNICS LIMITED**

1. INTRODUCTION

Regulation 30(4) of the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** (“Listing Regulations”) requires every listed entity to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges.

Accordingly, MPS Infotecnics Limited (“the ‘Company’”) herein sets out a Policy for determination of materiality of events and information and disclosure thereof.

2. POLICY

These Regulations have classified disclosure of such events, into the following categories:

- (i) Events which are considered to be deemed material events and which need to be disclosed without application of the “**materiality criteria**”. These events are specified by SEBI in **Para A of Part A of Schedule III** of the Listing Regulations, 2015.
- (ii) Events which need to be disclosed based on the application of guidelines of materiality under Listing Regulations 2015. These events are specified by SEBI in **Para B of Part A of Schedule III** of the Listing Regulations, 2015.
- (iii) Other events / information those are likely to affect the business of the company or any other information which is exclusively known to the company which is likely to affect the decision of the security holders of the company.

In case the Company does not disclose any such specified details, it shall state appropriate reasoning for the same as part of the disclosure. The Regulations also mandate the Company to frame a policy for determination of materiality, based on the criteria mentioned in the Regulations, for disclosure of events mentioned at “Annexure-B”.

3. AUTHORITY

The Board has constituted a Disclosure Committee comprising of Mr. Peeyush Kumar Aggarwal-Managing Director, Chief Financial Officer & Company Secretary and Compliance Officer, (hereinafter referred to as “Disclosure Committee”/ “Committee”). Mr. Peeyush Aggarwal, Managing Director of the Company, shall be the Chairman of the Committee.

4. DECISION MAKING OF THE DISCLOSURE COMMITTEE

The Disclosure Committee members may meet physically or may interact through e-mails or any other means as the members of the Committee may deem fit.

5. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall include the following:

- (i) To ensure compliance with the disclosure requirements under Regulation 30 of the Listing Regulations and such other Circulars as may be specified by SEBI in this regard;
- (ii) To take a view on the materiality of an event or on the price sensitivity of an event that qualifies for disclosure under Regulation 30 of the Listing Regulations;
- (iii) To determine the appropriate time at which the disclosures are to be made to the stock exchanges which shall be in adherence to the requirements of Regulation 30 of the Listing Regulations;
- (iv) To review and finalize the details to be disclosed. The contents of the disclosure shall be in line with the Regulations and SEBI Circulars issued in this regard, and as may be amended from time to time. Provided that any confidential information which if disclosed is likely to put at risk, the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchanges;
- (v) To consider such other events that may require disclosure to be made to the stock exchanges which are not explicitly defined in any Annexure and determine the materiality, appropriate time and contents of disclosure for such matter;
- (vi) To review the information in respect of the above specified events on periodical basis, as may be necessary and inform the stock exchanges if there is a change in information after it has been disclosed to stock exchanges (including withdrawal / cancellation of event).
- (vii) To determine materiality thresholds of events/ information mentioned in Regulation 2(n) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, which is likely to materially affect the price of the securities (constituting Un disclosed Price Sensitive Information).
- (viii) To make necessary amendment(s) to the Policy as may be required from time to time.

6. MATERIALITY CRITERIA OF THE EVENT OR INFORMATION

Materiality criteria shall have to be determined on a case-to-case basis depending on specific facts and circumstances relating to the event/information mentioned at Annexure B. In order to enable determining whether a particular event/information is

material in nature, the Committee shall consider the following criteria in accordance with the Regulations:

- (a) The omission of an event or information, which is likely to result in:
 - i) discontinuity or alteration of event or information already available publicly;
 - or
 - ii) significant market reaction if the said omission came to light at a later date;

- (b) In case where the criteria specified above in clauses (a) and (b) are not applicable, an event/ information may be treated as deemed material, if in the opinion of the Board of Directors and/or the Committee, the event/ information is considered material. For such events/information (mentioned in Annexure-B), the Board has prescribed indicative guidelines for determining materiality of an event or information, and which can be considered by the Disclosure Committee for the purpose of disclosure of such events/information to the Stock Exchanges, without diluting the same in any manner. The Committee may, from time to time, modify or amend existing indicative guidelines or specify new guidelines to ascertain materiality of events/ information in this regard. In respect of events or information pertaining to subsidiaries, the Disclosure Committee may consider the criteria mentioned in 1 above and the indicative guidelines prescribed by the Board, for determining materiality of such events or information vis-à-vis the Company.

7. TIMEFRAME FOR DISCLOSURE

In accordance with the new Regulations, disclosures as specified in Part A of Schedule III thereof shall be made to the Stock Exchanges within 24 hours from the occurrence of information or event (except certain events arising out of the Meetings of the board of directors mentioned in sub-para 4 of Para A of Part A of Schedule III, which are required to be disclosed to the Exchange(s) within 30 minutes of the conclusion of the board meeting).

8. DISCLOSURES ON WEBSITE

All events or information disclosed to the Stock Exchanges under Regulation 30 of the new Regulations shall be hosted on the website of the Company for a minimum period of 5 years and thereafter be archived as per the Archival Policy of the Company.

9. AMENDMENTS

The Disclosure Committee is authorized to amend this Policy as may be required from time to time, subject to applicable laws.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the new Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such new Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

11. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company i.e. www.mpsinfotec.com.

Annexure-A

Events which shall be disclosed without any application of the guidelines for Materiality:

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 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 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 key managerial personnel or promoter.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.

7A. In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

7B. Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:

- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.

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;

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- (e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
 - i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- m) Approval of resolution plan by the Tribunal or rejection, if applicable;
- k) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
- l) Any other material information not involving commercial secrets.

Annexure-B

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. 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);
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;

ANNEXURE-C

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 is likely to affect the decision of the security holders of the company.