

## **SENTHIL INFOTEK LIMITED**

### **Policy on Determination of Materiality of Events**

#### **1. OBJECTIVE:**

The Securities Exchange Board of India (SEBI), has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulation”) on September 2, 2015.

The Policy is framed in accordance with the requirements of the Regulation 30 of SEBI (LODR). 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.

#### **2. DEFINITIONS:**

“Act” shall mean the Companies Act, 2013 including the Rules framed thereunder.

“Archival Policy” refers to policy for Preservation of Documents and Archival of Documents approved by the Board of Directors of the Company

“Board of Directors” or “Board” means the Board of Directors of Senthil Infotek Limited, as constituted from time to time.

“Company” means Senthil Infotek Limited.

“Key Managerial Personnel” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“Policy” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

“SEBI LODR” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Any other term not defined here in shall have the same meaning as defined in the Companies Act, 2013, the SEBI (LODR) 2015 or any other applicable law or regulation to the extent applicable to the Company.

#### **3. PURPOSE OF THE POLICY**

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 to the Stock Exchange(s) in a timely manner of events/information specified in Para A of Part A of the Schedule III to the Listing Regulations and for the determination of materiality of events/information as specified in Para B and C of Part A of Schedule III to the Listing Regulations based on the guidelines for determination of materiality as specified in Sub-regulation 4(i)(a) and (b) of Regulation 30 of Listing Regulations.

#### **4. COMPULSORY DISCLOSURE OF EVENTS / INFORMATION**

Events / Information as specified in Para A of Part A of the Schedule III to the Listing Regulations would per se be Material Event/Information and such event/ information will be disclosed to the Stock Exchange(s).

#### **5. GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED:**

- a. The events/information shall be said to have occurred upon receipt of approval of the Board of Directors in certain events/information after receipt of approval of the Board of Directors.
- b. In other cases the events/information can be said to have occurred when the Company becomes aware of the events or information, or as soon as, an officer of the Company has, or ought to have reasonably come in to possession of the information in the course of the performance of his duties.

## **6. REPORTING OF EVENT TO STOCK EXCHANGE:**

The Company shall inform the stock exchange(s) of all events which are material and all information which are price sensitive or have bearing on performance or operation of the Company. Company shall make disclosure of events as specified in Para A of Part A of Schedule III of the Regulation (**Annexure A**) which are deemed to be material events.

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available; 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) if in the opinion of the Board of Directors of the Company event/ information is material.

The disclosures shall also include all events or information with respect to subsidiaries of the Company which are material (if any). The Company shall, with respect to disclosures made by the Company, make further disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations. The Company may on its own initiative also, confirm or deny any reported event or information to stock exchanges. All other events or information which are not indicated in Para A or B of Part A of Schedule III of the Regulation, but which may have material effect shall be disclosed by the Company.

## **7. AUTHORIZATION FOR MAKING DISCLOSURES:**

In terms of Regulation 30(5) of the Listing Regulations, the Board of Directors had authorized for the purpose of determining materiality of any event/information, classify it as a Material Event/Information, decide the appropriate time at which disclosure is to be filed with the stock exchange(s) and details that may be filed in the best interest of present and potential investors.

Managing Director, Director, Chief Financial Officer and Company Secretary of the Company are authorized severally to determine materiality of an event or information and to make disclosures to Stock Exchanges under the regulation.

## **8. SCOPE AND LIMITATIONS:**

This policy is applicable to all Employees of the Company. In the event of any conflict between the provisions of this Policy and SEBI LODR; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **9. DISSEMINATION OF POLICY:**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchanges and such disclosures shall be hosted on the website of the Company for a minimum period of five years.

## **10. AMENDMENTS AND UPDATES:**

Any change in the Policy shall be approved by the Board. The Board 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.

### **Annexure A**

#### **A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)**

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 Company or any other restructuring.

Explanation.-'acquisition' shall mean,-

- a. Acquiring control, whether directly or indirectly; or,
- b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
  - i. the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
  - ii. there has been a change in holding from the last disclosure made and such change exceeds two percent 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).
  - a. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
  - b. 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;
  - c. Any cancellation of dividend with reasons thereof;
  - d. The decision on buy back of securities;
  - e. The decision with respect to fund raising proposed to be undertaken
  - f. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
  - g. 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;
  - h. short particulars of any other alterations of capital, including calls;
  - i. financial results;
  - j. decision on voluntary delisting by the Company from stock exchange(s):

Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

4. 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.
5. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
6. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
7. Appointment or discontinuation of share transfer agent.
8. Resolution plan/Restructuring in relation to loans/borrowings from banks/financial institutions
9. One time settlement with a bank.
10. Reference to BIFR and winding-up petition filed by any party/creditors.
11. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debentureholders or creditors or any class of the mor advertised in the media by the Company.
12. Proceedings of Annual and extraordinary general meetings of the Company.
13. Amendments to memorandum and articles of association of the Company, in brief.
14. Schedule of analysts or institutional investors meet and presentations made by the Company to analysts or institutional investors.
15. Events in relation to the corporate insolvency resolution process(CIRP)of a listed corporate debt or under the Insolvency Code.
16. Initiation of Forensic audit.

**B. Events which shall be disclosed upon application of the guidelines for materiality as specified in sub-regulation(4) of Regulation (30)**

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 piece meal).
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, fireetc.), 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.

**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 there of 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.

**D.** Without prejudice to the generality of para (A),(B)and(C)above, the company may make disclosures of event/information as specified by the Board from time to time.