

COMPUAGE INFOCOM LIMITED

Policy for Determination of Materiality of Events or Information for disclosure to Stock Exchanges

1. Preamble

The Securities Exchange Board of India (SEBI), on September 2, 2015, notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Clause (ii) of sub-regulation (4) of Regulation 30 of the said Listing Regulation requires every listed Company to frame and adopt a policy to determine the material events or information by applying the Guidelines of Materiality for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchanges.

Accordingly, the 'Policy for Determination of Materiality of Events or Information for Disclosure to Stock Exchanges' has been approved and adopted by the Board of Directors.

2. Purpose and Applicability

The purpose of this Policy is to ensure disclosure to the Stock Exchanges of any Event or Information, which in the opinion of the Board of Directors is Material based on criteria specified under clause (i) of Sub-Regulation (4) of Regulation 30 of the Listing Regulations.

3. Material Events or Information to be disclosed to the Stock Exchange(s)

A. The following events or information shall be deemed to be material events or information and disclosure thereof shall be made within 24 hours of occurrence:

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

For the purpose, 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) above 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. 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 the 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) Auditors and Compliance Officer.
 7. Appointment or discontinuation of share transfer agent.
 8. Corporate debt restructuring.
 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, debenture holders or creditors or any class of them or advertised in the media by the Company.
 12. Proceedings of Annual and extraordinary general meetings of the listed entity.
 13. Amendments to Memorandum and Articles of association of the Company, in brief.
 14. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
- B. Outcome of the Board Meeting to consider the followings shall be disclosed to the Stock Exchanges, within 30 minutes of the closure of the Meeting:**
- 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 Company from stock exchange(s).

C. The following events / information shall be material events/ information, based on the Guidelines of Materiality and disclosure thereof shall be made within 24 hours of occurrence:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division of the Company.
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) of the Company.
3. Capacity addition or product launch, if any.
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 the Company.
10. Details of grant, vesting and exercise of Stock 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.

D. Disclosure of any other Event or Information viz. major development that is likely to affect the Business of the Company shall be disclosed as soon as reasonably possible and not later than 24 hours after the same has occurred or identified by the Company

Events or Information that may include but not restricted to –

1. Emergence of new technologies;
2. Expiry of Patents;
3. Any change of accounting Policy that may have a significant impact on the Accounts, etc. and brief details thereof;
4. Any other information which is exclusively known to the Company and needs disclosure to enable the shareholders to appraise the Company's position.
5. Any material Event/Information related to the Subsidiary of the Company.
6. Any other event which, in view of the Board, is material.

4. Guidelines/Criteria for determination of materiality of events/ information

The materiality of Events/ Information shall be determined by the following criteria in accordance with Clause (i) of Sub Regulation 4 of Regulation 30 of the Listing Regulations:

- a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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 or information may be treated as being material if in the opinion of the Board, the impact of such event or information on the Company exceeds 10% of its gross annual turnover based on last audited financial statement of the Company.

5. Others

The CFO and Company Secretary are the Key Managerial Personnel authorized in the Company pursuant to Regulation 30(6) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges under the Listing Regulations.

All disclosures made to Stock Exchanges under the Listing Regulations shall also be hosted on the website of the Company and retained thereat for a minimum period of five years.

This Policy shall be hosted on the web-site of the Company at www.compuageindia.com

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
