

MINDTECK (INDIA) LIMITED

Policy for Determining Material Information

Adopted by the Board of Directors

effective from December 01, 2015

POLICY FOR DETERMINING MATERIAL INFORMATION				
Document Type	General		Validity	Until further amended
Version	Created By	Checked By	Approved By	Date of Release
Version 1	Shivarama Adiga S.	Shivarama Adiga S.	Board of Directors	March 08, 2016

BACKGROUND

The Securities and Exchange Board of India (“SEBI”) has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as **LODR**) which became effective from December 01, 2015. The above regulations stipulate that all listed entities shall formulate a Policy for Determining Material Information. In this context, the **Policy for Determining Material Information** is being framed and implemented with effective from December 01, 2015.

OBJECTIVE

The Policy applies with respect to the disclosure of Material events/Information occurring/arising within Mindteck and its subsidiaries. This policy is in addition to, and does not derogate from, Mindteck’s Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which deals with dissemination of Unpublished Price Sensitive Information.

DEFINITIONS

- **Chief Financial Officer** shall mean the person heading and discharging the finance of the listed entity as disclosed by the Company to the Stock Exchange.

- **Key Managerial Personnel** means Key Managerial Personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.

- **Promoter and Promoter Group** shall have the same meaning as assigned to them respectively in Clauses (za) and (zb) of Sub-Regulation (1) of Regulation 2 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
- **Related Party** means a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 or under the applicable Accounting Standards.
- **Related Party transaction** means a transfer of resources, services or obligations between a listed entity or a related party, regardless of whether a price is charged and a transaction with the related party shall be construed to include a single transaction or group of transactions in a contract.
- **Subsidiary** means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.

AUTHORISED PERSONS

The Company Secretary will be the custodian of the disclosure process. In the event of absence of the Company Secretary on account of vacancy, leave, vacancy due to temporary inaccessibility for any reason, his powers and functions shall be undertaken by any Key Managerial Personnel, as determined by the Chairman & Managing Director and the Compliance Officer from time to time.

The Company's Compliance Officer and Chief Financial officer, in consultation with Chairman and Managing Director shall have the authority to determine the Materiality and Disclosure with respect to the information about the Company, covered under this Policy. The Chairman & Managing Director and Compliance Officer have the authority to interpret and enforce this Policy. All questions regarding this Policy shall be directed to the Compliance Officer. The Compliance Officer and Chief Financial Officer in each case, together with the Chairman and Managing Director must preapprove any deviation from the policies and procedures outlined in this Policy.

MATERIALITY ASSESSMENT

Any Information whether positive or negative shall be regarded as "**Material**" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell, or hold a security or where in the fact is likely to have a significant effect on the market

price of the security.

Materiality shall be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. The primary approach for determining materiality will be quantitative or qualitative.

The information listed as per **Schedule III, Part-A** of **LODR** as amended from time to time and appended below shall be disclosed to the Stock Exchanges

PARA A- MANDATORY DISCLOSURES

Events which shall be disclosed without any application of the guidelines for the 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 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. Securities: 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: 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: Fraud/defaults by Promoter or Key Managerial Personnel or by listed entity or arrest of Key Managerial Personnel or Promoter.
- 7.** Change in Directors and other Personnel's: 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;

PARA B- NON - MANDATORY DISCLOSURES

Events which shall be disclosed upon application of the guidelines for Materiality referred in sub-regulation (4) of regulation (30) of LODR:

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 listed entity 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 listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by Directors (other than key managerial personnel) or employees of listed entity.
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.

PARA C - ANY OTHER INFORMATION/EVENT

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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

PARA D - WITHOUT PREJUDICE TO THE GENERALITY OF PARA A, B AND C ABOVE, THE LISTED ENTITY MAY MAKE DISCLOSURES OF EVENT/INFORMATION AS SPECIFIED BY THE BOARD FROM TIME TO TIME.

For the purpose of assessing whether a particular transaction or the amounts involved in that transaction are "**Material**" the information including but not limited to the following will also be considered:

1. The consideration involved in the transaction as a percentage of Company's annual revenue;
2. Consideration involved in the transaction as a percentage of Company's fixed assets and as a percentage of Company's total assets;
3. Whether the transaction is in the Ordinary course of business;
4. Whether a Related party is involved in the transaction;
5. Whether the transaction represents a significant shift in Company's strategy; and
6. Whether the transaction is an exit or entry to a significant line of business.

For the purpose of determining "**Materiality**" of an event/information, the Company relies upon **LODR** as amended from time to time.

The Compliance Officer and Chief Financial Officer shall be responsible for reporting the events/information material to the Company.

Any amendment to this Policy shall be approved by the Board.