



## **POLICY FOR DETERMINATION OF MATERIALITY OF EVENT / INFORMATION**

### ***I. Preamble***

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as “**Listing Regulations**”), mandates disclosure of any events or information which, in the opinion of the board of directors (“**Board**”) of Infronics Systems Limited (“**the Company**”), is material.

Regulation 30 (4) of the Listing Regulations requires the Company to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein.

### ***II. Object:***

The objective of this Policy is to ensure that the Company makes disclosures of any events or information which, in the opinion of the Board of Directors of the Company, is material.

### ***III. Definition***

1. **Board:** Means the Board of Directors of the Company.
2. **Key Managerial Personnel:** Means Key Managerial Personnel (“KMP”), as defined under the Companies Act, 2013 from time to time and as mentioned below:-
  - a. the Chief Executive Officer or the Managing Director or the Manager and in their absence the whole-time director;
  - b. the Company Secretary;
  - c. Chief Financial Officer;
  - d. such other Officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
  - e. such other officers as may be prescribed.
3. **Relevant Employees:** shall encompass the key management and senior management of the Company as defined in Nomination and Remuneration Policy which more specifically includes Managing Director, Chief Financial Officer, Company Secretary and other departmental heads as and when appointed by the Company.

### ***IV. Disclosure of events or information***

1. The events or information specified in Para A of Part A of Schedule III of the Listing Regulations (as may be amended from time to time) will be disclosed without the



application of any materiality thresholds, as these are “deemed” to be material events. These events shall be disclosed as soon as reasonably possible and in any case not later than the following:

- a. thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- b. twelve hours from the occurrence of the event or, in case the event or information is emanating from information within the listed entity;
- c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the said Regulations (as may be amended from time to time) shall be made within such timelines.

2. The events or information specified in Para B of Part A of Schedule III of the Listing Regulations will be disclosed based on application of the materiality criteria, mentioned below:-

The following quantitative criteria shall be used as a guiding principle for determination of materiality of events or information and arriving at the overall decision on the events or information to be reported by the Authorized Persons:

- i. the omission of an event or information which is likely to :
  - result in a discontinuity or alteration of an events or information already available publicly; or
  - result in significant market reaction if the said omission came to light at a later date; or
  - result in value or the expected impact in terms of value, exceeds the lower of the following:
    - a) two percent of turnover, as per the last audited consolidated financial statements of the Company;
    - b) two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
    - c) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company
- ii. Any event or information having a significant risk to the reputation of the Company.
- iii. In the opinion of the Board of Directors of the Company, the events or information is considered material:



**V. Guidelines for identification of such event / information, and reporting of material events by Relevant employees: -**

1. Any other information/event, viz. major development that is likely to affect business, any change of accounting policy that may have a significant impact on the accounts, 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.
2. Any information/ events with respect to subsidiary of the Company which are material for the Company, shall also be disclosed to the relevant stock exchange. It is clarified that as regard any event / information, only such impact which is direct and perceivable, and not remote, shall be considered.
3. In addition to the above, the Company may make voluntary disclosures of events/information, as may be specified by the Board or by SEBI from time to time.

**VI. Roles and responsibilities of key managerial personnel for determining materiality of an event or information and making disclosure to stock exchanges:**

In terms of the Listing Regulations, the Board has authorized the following key managerial personnel of the Company (in terms of the Companies Act, 2013), i.e. the Managing Director/ Whole-Time Director/Chief Executive Officer, the Chief Financial Officer and the Company Secretary as the “**Authorized Persons**” for the purposes of determining materiality of an event or information as per the guidelines contained under this Policy and the Listing Regulations, and for the purposes of disclosing such event / information to the relevant stock exchanges.

**VII. Disclosure**

The Company shall disclose on its website all such events or information which has been disclosed to the relevant stock exchange under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and, thereafter, as per the archival policy of the Company.

Any amendment in the regulatory requirements shall be binding on the Company and shall prevail over this Policy, even if not incorporated in the Policy. In any circumstance where the terms of the Policy differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over the Policy.

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