

Policy on criteria for Determining Materiality of Event

1. Introduction:

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) were notified on 2nd September, 2015 and have been effective from 1st December, 2015.

In pursuance of Regulation 30 of the Listing Regulations, the Board of Directors of 3C IT Solutions & Telecoms (India) Limited (the “Company”) has adopted this Policy on determination of materiality of events and/or information which are required to be disclosed to the Stock Exchanges (the “Policy”).

This Policy shall be in line with Regulation 30 of the Listing Regulations, including amendments issued by the Securities and Exchange Board of India from time to time.

2. Applicability and Effective Date:

This Policy applies to:

1. Events specified in Para A of Part A of Schedule III of the Listing Regulations;
2. Events specified in Para B of Part A of Schedule III of the Listing Regulations based on the application of criteria of materiality as specified in this Policy; and
3. Events in the opinion of the Board of the Company which satisfy the materiality criteria and are not covered in 1 and 2 above.

This Policy shall be effective from the date of listing of the equity shares of the Company.

3. Scope and Purpose:

In order to enable investors of the Company to make well-informed investment decisions, the timeliness, accuracy and adequacy of information on a continuous basis is essential. Any information or the happening of any event that can materially influence the decisions of investors needs to be disseminated regularly.

Further, uniformity in disclosures is of utmost importance to ensure that compliances are carried out in letter and spirit of applicable regulations.

The purpose of this Policy is to institutionalize the process of identification and dissemination of any material information and/or events under Regulation 30 of the Listing Regulations.

The Company shall ensure timely, accurate and continuous disclosure of material events or information.

4. Definitions:

- i. “Board” shall mean Board of Directors of the Company.
- ii. “Company” or “Listed Entity” shall mean 3C IT Solutions & Telecoms (India) Limited.
- iii. “Companies Act” shall mean the Companies Act, 2013 and Rules made thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time.
- iv. “Events” shall mean:
 - a. Events as appearing in Para A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (annexed hereunder and earmarked as Annexure – I) subject to any statutory amendments from time to time;
 - b. Events as appearing in Para B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (annexed hereunder and earmarked as Annexure - II) subject to any statutory amendments from time to time; and
 - c. Any other event which in the opinion of the Board requires dissemination as per listing regulations.
- v. “Key Managerial Personnel” shall mean key managerial personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013.
- vi. “Policy” means Determination of Materiality of Events or Information’s for disclosure.
- vii. “Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by the Securities and Exchange Board of India including any amendments thereof.
- viii. “Stock Exchange” shall mean a recognized Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (Regulation) Act, 1956.

5. Policy Statement:

Information and events that may impact price of the Company’s share materially shall be promptly made public and generally available and that uniform and universal dissemination of material information shall be followed to avoid selective disclosure.

Company shall follow below guidelines for making disclosures of information and events:

A. Deemed Material Events or Information:

Events specified in Para A of Part A of Schedule III of Listing Regulations are deemed to be material events.

The Company shall make disclosure of all deemed material events:

- a. within 30 minutes of the closure of the meeting as prescribed;
- b. within 12 hours from the occurrence of the event or information where such event originates within the Company; and
- c. within 24 hours from the occurrence of the event or information where such event does not originate within the Company.

B. Material Events or Information based upon criteria of materiality:

Events specified in Para B of Part A of the Listing Regulations, shall be disclosed after applying criteria of materiality as specified here in below:

- a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; 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. An event or information shall be considered material if the value or the expected impact in terms of value exceeds the lower of the following thresholds, as per the latest audited financial statements of the Company:
 - (i) 2% of turnover;
 - (ii) 2% of net worth; or
 - (iii) 5% of the average of absolute value of profit or loss after tax for the last three audited financial years.
- d. in case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event / information is considered material.

C. Company shall also make disclosure of 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 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.

Further, without prejudice to the provisions relating to disclosure of awarding, bagging/receiving, amendment or termination of orders/contracts not in the normal course of business, the Company may, based on materiality, announce/disclose awarding, bagging/receiving of orders or contracts in the ordinary course of business for products or services of the Company, where the value of such order(s) or contract(s) is Rupees One Crore (Rs.1cr) or more, either individually or in aggregate, as may be determined by the Key Managerial Personnel authorised for it.

- D.** Without prejudice to the generality of A, B and C above, the Company may make disclosures of events or information's as specified by the Board from time to time.

6. Procedural Guidelines for disclosure of events or information:

The Managing Director, Chief Executive Officer and Company Secretary of the Company as authorised by the Board of Directors shall determine materiality of an event or information in terms of this policy and shall disclose the same to the Stock Exchange(s) where the shares of the Company are listed.

All material events or information shall also be handled in compliance with applicable provisions of insider trading regulations, including maintenance of Structured Digital Database, wherever applicable.

Any disclosure of events or information which have been submitted by the Company to the Stock Exchange(s) under this Policy will be available on the website of the Company for a minimum period of five years from the date of its disclosure.

The same shall thereafter be archived as per the Archival Policy of the Company.

7. Communication of this Policy:

This Policy shall be posted on the website of the Company.

8. Amendment:

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. Any subsequent amendment/modification in the listing regulations and/or other applicable laws in this regard shall automatically apply to this policy.

Annexure - I

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 or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company 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 agreement 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 twentyfive 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. or;

- (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub regulation (4) of regulation 30;

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

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. New rating or 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 including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer,

rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;

- 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.

(5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, 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 independent director 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. The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - a. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is 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 disclosures as specified in sub-clause (i) and (ii) above.

(7C) In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.

(7D) In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).

8. Appointment or discontinuation of Registrar to an Issue and Share Transfer Agent.
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
 - (i) Decision to initiate resolution of loans/borrowings;
 - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
 - (iii) Finalization of Resolution Plan;
 - (iv) Implementation of Resolution Plan;
 - (v) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.
10. One time settlement with a bank.
11. 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. (a) (i) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet;
 - (ii) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.

- (b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:
- (i) The audio recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - (ii) the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;
 - (iii) the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls.
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;
 - k) Approval of resolution plan by the Tribunal or rejection, if applicable;
 - l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - (i) Pre and Post net-worth of the company;
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E, RONW ratios etc.;

- (ix) Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - (x) Brief description of business strategy.
 - m) Any other material information not involving commercial secrets.}
 - n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - o) Quarterly disclosure of the status of achieving the MPS;
 - p) The details as to the delisting plans, if any approved in the resolution plan.
17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:
- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
 - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.
18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.
19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) search or seizure; or
 - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
 - i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
- (a) suspension;
 - (b) imposition of fine or penalty;

- (c) settlement of proceedings;
 - (d) debarment;
 - (e) disqualification;
 - (f) closure of operations;
 - (g) sanctions imposed;
 - (h) warning or caution; or
 - (i) any other similar action(s) by whatever name called;
- along with the following details pertaining to the actions(s) taken or orders passed:
- i. name of the authority;
 - ii. nature and details of the action(s) taken or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.]

B. Events which shall be disclosed upon application of the guidelines for materiality referred 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. Any of the following events pertaining to the listed entity:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operations of any unit, division or subsidiary (in entirety or in 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) 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.

9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

C. Any other information/event viz. major development that is likely to affect business:

1. Emergence of new technologies.
2. Expiry of patents.
3. Any change of accounting policy that may have a significant impact on the accounts.
4. 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.

D. Any other event/information as specified by the Securities and Exchange Board of India from time to time.