

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

1. OBJECTIVE

The Policy is framed in accordance with the requirements of the **Regulation 30 of Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations)**. The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality.

EFFECTIVE DATE

This Policy is effective from **01.12.2015**.

2. DEFINITION

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“Board of Directors” or **“Board”** shall mean the Board of Directors of Melstar Information Technologies Limited, as constituted from time to time.

“Company” shall mean **Melstar Information Technologies Limited**.

“Listing Agreement” shall mean an agreement entered or proposed to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time.

“Material Event” or **“Material Information”** shall mean such event or information as set out in the Schedule. In the Policy, the words, “material” and “materiality” shall be construed accordingly.

“Policy” shall mean this Policy on the criteria for determining Materiality of events or information and as amended from time to time.

“Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

“Schedule” shall mean Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

“Stock Exchange(s)” means Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.

3. AUTHORITY TO DETERMINE MATERIALITY OF EVENTS

The Managing Director and the Company Secretary of the Company shall severally be responsible and authorised for ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this Policy.

The contact details of the persons authorised to determine materiality of events under this Policy are as follows:

Mr. Sanjiv Tandon- Managing Director Melstar Information Technologies Ltd. Melstar House, MIDC Cross Road A, Andheri (East),Mumbai 400093	Mr. Vijay Modi- Company Secretary Melstar Information Technologies Ltd. Melstar House, MIDC Cross Road A, Andheri (East),Mumbai 400093
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The Company shall first disclose to stock exchange(s) of all events, as specified in **Part A of Schedule III**, or information as soon as reasonably possible and in accordance with the provisions of the Regulations, as may be amended from time to time.

The disclosures made under the Regulations shall be hosted on the website of the Company (www.melstar.com) and simultaneously communicated to the Stock Exchanges in the permitted mode.

4. AMENDMENTS TO THE POLICY

The Company is committed to continuously reviewing and updating our policies and procedures. Therefore, this policy is subject to modification. Any amendment of any provision of this policy must be approved in writing by the Company's Board and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment.

5. DISCLOSURES OF EVENTS OR INFORMATION

- a. Events specified in **Annexure A** are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than **twenty-four (24) hours** from the occurrence of such event or information in the following manner:
 - i. inform the stock exchanges on which the securities of the Company are listed;
 - ii. upload on the corporate website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

- b. The Company shall make the disclosure of events/information as specified in **Annexure B** based on application of guidelines.

All the above disclosures will be hosted on the website of the Company for a minimum period of **5(five) years** and thereafter archived in accordance with the Company's policy for Preservation of Documents.

Annexure A

Events which shall be mandatorily disclosed without any further consideration of the guidelines for materiality:

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, -

- (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 Company holds shares or voting rights aggregating to five percent 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 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 credit rating(s);

4. Outcome of Meetings of the Board of Directors: The Company shall disclose to the Exchange(s), **within 30 minutes** of the closure of any 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 a 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 of reserves 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 which may be to subscribed 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).

- 5.** Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that they impact 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;
- 6.** Fraud/defaults by a Promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or a Promoter;
- 7.** Change in 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 Company;
- 13.** Proceedings of Annual and extraordinary general meetings of the Company;
- 14.** Amendments to memorandum and articles of association of Company, in brief;
- 15.** Schedule of Analyst or institutional investor meets and presentations on financial results made by the Company to analysts or institutional investors.

Annexure B

Illustrative list of events which shall be disclosed upon application of the guidelines for materiality:

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 the business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-ups, 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, winning/ receiving, amendment or termination of awarded/won 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 the 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 divisions of the Company due to a 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 their possible 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 a guarantee or an indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;
13. 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 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