

SOUTHERN INFOSYS LIMITED
POICY ON DETERMINATION OF MATERIALITY OF EVENTS

1. BACKGROUND AND APPLICABILITY OF THE POLICY

SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 (**'Regulations'**) require every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company, are material.

In this context, the following policy has been framed by the Board of Directors (**'Board'**) of Southern Infosys Limited at its meeting held on 30th May, 2016 with objective of determining materiality of events.

This Policy can be modified and/or amended with the approval of the Board of Directors only.

In term of Regulations 30 of said Regulations, the events requiring disclosure by the Companies, are provided as follow:

- a. Events specified in Para A of Part A of Schedule III of the Regulations shall be deemed to be material and Company is required to make disclosure of the same. (Attached Annexure A to this Policy).
- b. Events specified in Para A of Part A of Schedule III of the Regulations shall be disclosed by the Company (List of events attached as Annexure B to this Policy).

This Policy shall also apply to the events which are not reflected in Para A or Para B of Part A of Schedule III but may have a material effect on the Company.

2. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The following criteria shall be considered by the Board for determining whether the events are material or not:-

Where the omission of an event or information, is likely to results in:

- a) discontinuity or alternation of event or information already available publicly or
- b) a significant market reaction if the said omission came to light at a later date.

Materiality shall be determined case to case basis depending on the facts and circumstances relating to the information/ event.

DISCLOSURES TO THE STOCK EXCHANGES

Any transaction, event or information relating to the Company that might fall within the Section - Scope is required to be reported immediately by the employees of the Company to the Compliance Officer of the Company. The contact details are as follows: Telephone: 011- 43045402. Compliance Officer will determine the materiality of the event/information in consultation with the Managing Director. The Compliance Officer and Managing Director will ensure that adequate disclosures with respect to such material events/information are made to the stock exchanges within the timeline prescribed under the Listing Regulations.

AMENDMENTS/MODIFICATIONS

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the Listing Regulations or such applicable law, then the provisions of the Companies Act, 2013 or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such change. The Board of Directors of the Company may subject to applicable laws amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

ANNEXURE A

(Same as Para A of Part A of Schedule III)

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/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 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.
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).
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 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 (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.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or 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 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;

ANNESURE B

(Same as Para B and Para C of Part A of the Schedule III)

- 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. 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
 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.
- C. 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 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.