



R SYSTEMS INTERNATIONAL LIMITED | POLICY ON DETERMINING THE MATERIALITY OF EVENTS

1. Purpose and Scope:

R Systems International Limited understands that in order to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential.

The Policy for determining ‘materiality’ of Events has been framed in accordance with the provisions of Regulation 30(4) (ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time. The Policy will be used to determine the materiality of the events and their adequate disclosure to the Stock Exchanges and to provide an overall governance framework for such determination of materiality.

2. Definition

- a. **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- b. **“Board of Directors”** or **“Board”** means the Board of Directors of R Systems International Limited, as constituted from time to time.
- c. **“Company/RSIL”** means R Systems International Limited.
- d. **“Key Managerial Personnel”** mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;
- e. **“Listing Agreement”** shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015
- f. **“Material Event or Information”** there shall be three sort of material event or information
 - i. Events or Information as mentioned in Annexure – I as without applying test for determining the materiality.
 - ii. Events or Information as mentioned in Annexure- II, if considered material in the light of the principles as envisaged in Clause 3.

- iii. Any other event or information as considered material by the key managerial personnel as authorised under Clause 6 of this regulation in the light of the principles as envisaged in Clause 3. An indicative list is provided in Annexure-III of the Policy.

In the Policy, the words, “material” and “materiality” shall be construed accordingly.

- g. **“Material Subsidiary”** shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.
- h. **“Policy”** means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.
- i. **“Regulations/ Listing Regulation”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- j. **"Schedule"** means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulation or any other applicable law or regulation to the extent applicable to the Company.

3. Principles for determining of the Materiality of Events or Information.

The following are principles for determining of materiality of the events or Information -

1. the event or information is of such nature as may influence the share price of the Company at the Stock Exchange or in any manner is an unpublished price sensitive information;
2. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
3. 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; and
4. any other event/information which is treated as being material in the opinion of the key managerial personnel as authorised under Clause 6 of this regulation.
5. besides per se material information, an event/information, would be deemed as Material Information if it is likely to have an impact of 10% or more on the gross turnover or revenues or total income or 20% of the net worth, whichever is lower, as per the last consolidated accounts of the Company.

4. Disclosures Of Events Or Information

- a. Events specified in Annexure - I are deemed to be material events and the Company shall make disclosure to 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 in 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 delay.

Provided further that Disclosure of the events enumerated in point 8 of Annexure - I shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed.

- b. The Company shall make disclosure of events as specified in Annexure - II based on application of guidelines for determining Materiality as per clause 3 of the Policy.
- c. The Company shall make disclosures updating Material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
The Company shall disclose all events or information with respect to its material subsidiaries.
- d. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.
 - a. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information and on its own initiative. Further it shall confirm or deny any event or information to stock exchange(s) reported in the media.
 - b. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure - I or Annexure - II, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

All the above disclosures would be hosted on the website of the Company for a minimum period of five years and thereafter archived as per Company's policy for Preservation and Archival of Documents.

5. Point of time when an event/information has occurred

The time of occurrence of the event information could be divided into two categories i.e. (a) the stage of discussion, negotiation or approval like Board or Shareholder approval However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval and (b) in other instances where there is no such discussion, negotiation or approval required, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

6. Authority To Key Managerial Personnel

Managing Director and/ or Chief Financial Officer and/or Company Secretary & Compliance Officer of the Company, Jointly and/or severally, shall have the authority to determine

Materiality of any event or information and ensure the disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

Contact details:

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7. Amendments

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

Annexure-I

Details which a listed entity needs to disclose for the events that are material as specified in Clause 2(f)(i)

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-clause, 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. Split/consolidation of shares
 4. Buy back of securities
 5. Any restriction on transferability of securities:
 6. Any action, which will result in alteration of the terms or structure of any existing securities, including, but not limited to
 7. Revision in Rating(s)
 8. Outcome of meetings of the board of directors:
 - i. 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;
 - ii. any cancellation of dividend with reasons thereof;
 - iii. the decision on buyback of securities;
 - iv. the decision with respect to fund raising proposed to be undertaken;
 - v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - vi. 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;
 - vii. short particulars of any other alterations of capital, including calls;
 - viii. financial results;
 - ix. decision on voluntary delisting by the listed entity from stock exchange(s);

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

9. 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:
10. Fraud/ Defaults by promoter or key managerial personnel or by the listed entity or arrest of key managerial personnel or promoter:
11. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer:
12. Appointment or discontinuation of share transfer agent:
13. Corporate debt restructuring (“CDR”)
14. One time settlement (OTS) with a Bank:
15. Reference to BIFR and winding-up petition filed by any party / creditors:
16. 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 and the following:
17. Proceedings of annual and extraordinary general meetings of the listed entity and the following details in brief:
18. Amendments to memorandum and articles of association of listed entity, in brief.
19. Schedule of analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.

The details of the said information to be disclosed to the stock exchanges shall be as per in Para A of Part A of Schedule III of Listing Regulations as may be amended from time to time.

Annexure-II

Details which a listed entity need to disclose for events on which the listed entity may apply materiality in terms of **2(f)(ii)**

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 line(s) of business;
 - 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, revision(s) or amendment(s) and termination(s) thereof: Only important terms and conditions which may be as under needs to be disclosed:
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. Frauds/ defaults by directors (other than key managerial personnel) or employees of the listed entity
10. Subsequently intimate the stock exchange(s) further details regarding the fraud/default including:
11. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme
12. Giving of guarantees or indemnity or becoming a surety for any third party:
13. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals:

The details of the said information to be disclosed to the stock exchanges shall be as per in Para B of Part A of Schedule III of Listing Regulations as may be amended from time to time.

Annexure-III

1. Any other information/event viz. major development that is likely to affect business:
 - a. Events/ Information that may include but are not restricted to
 - b. Emergence of new technologies;
 - c. Expiry of patents;
 - d. Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof;
2. 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;
3. Market Sensitive Information;
4. Any event which in the view of the persons authorised in clause 6 of this regulation.