



## 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 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 sub-section (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 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.
- g. **“Policy”** means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

- h. **“Regulations/ Listing Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- i. **"Schedule"** means a Schedule III of Regulations.
- j. **“Stock Exchange(s)”** means National Stock Exchange of India Limited (NSE) and BSE Limited (“BSE”) or any other stock exchange where the securities of the Company are listed.

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 the principles for determining of materiality of the events or Information -

- A. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - i. two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - ii. 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;
  - iii. 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; and
- D. Any event or information is required to be disclosed by the Company in terms of the provisions of the Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, unless disclosure of such communication is prohibited by such authority.

For the sake of clarity, in case where the criteria specified above is not applicable, an event or information may be constructed as being material, if it is material in the opinion of the key managerial personnel as authorised under this policy.

### **4. Materiality Assessment**

The disclosure events specified in Para A of Part A of Schedule III of the Listing Regulations 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 the timelines mentioned in this policy or in the Listing Regulations.

- i. The Company shall also make disclosure of events as specified in Para B of Part A of Schedule III of the SEBI Regulations based on application of guidelines for determining Materiality as per clause 3 of the Policy.
- ii. The Company shall also make disclosure of events if it is material in the opinion of Key Managerial Person of the Company.
- iii. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- iv. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.
- v. 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.

In case the disclosure is made after the timelines specified under this policy or as mentioned under the Regulations, the Company shall, along with such disclosure(s) provide an explanation for delay.

## **5. Timeline and manner for Disclosure of Material Event**

The Company shall disclose to the Stock Exchange (s) all events or information which are material in terms of the provisions of this policy of the Regulation, 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 of the Company in which the decision pertaining to the event or information has been taken;
- b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Further, the Company shall also update the material events or disclosures informed to Stock Exchanges on the Corporate Website as soon as possible but not later than two working days from such disclosure.

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.

## **6. 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 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.

**7. Authority to Key Managerial Personnel**

Managing Director and Chief Executive Officer, Chief Financial Officer and 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.

**8. Contact details:**

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**9. 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.