

POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS & INFORMATION

1. Objective

- 1.1 This Policy is framed in accordance with the requirements of the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”) as amended from time to time.
- 1.2 The objective of the Policy is to determine materiality of events or information relating to the Company, to make disclosures of such events or information to Stock Exchanges in a timely manner and to provide an overall governance framework for such determination of materiality.

2. Definitions

- 2.1 “**Act**” shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.
- 2.2 “**Board of Directors**” or “**Board**” shall mean the Board of Directors of z, as constituted from time to time.
- 2.3 “**Company**” shall mean CMS Info Systems Limited.
- 2.4 “**Material Events**” or “**Material Information**” shall mean such events or information as set out in the Annexures or as may be determined in terms of Clause 6 of the Policy. In the Policy, the words, “material” and “materiality” shall be construed accordingly.
- 2.5 “**Policy**” shall mean this Policy for Determination of Materiality of events & information and as amended from time to time.
- 2.6 “**Listing Regulations**” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- 2.7 “**Schedule**” shall mean Schedule III of Listing Regulations.
- 2.8 Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.
- 2.9 Words importing the singular number include, where the context admits or requires, the plural number and vice versa.
- 2.10 Words importing the masculine gender also include the feminine gender and neutral gender.

3. Authority to Determine Materiality of Events

- 3.1 The Executive Vice-Chairman and Chief Executive Officer, Chief Financial Officer and the Company Secretary (“hereinafter referred to as the Key Managerial Personnel”) shall jointly and severally have the authority to determine the materiality of any event or information and ensure disclosure of the same is made to the stock exchanges.
- 3.2 The respective heads of various departments (“**Designated Officers**”) who are responsible for relevant areas of the Company’s operations to which any item of information relates must report to the Company Secretary (CS) and/ or the Chief Financial Officer (CFO) of the Company of any event / information which is deemed to be Material as defined in this Policy or of which Designated Officer is unsure as to its Materiality. The event / information should be reported immediately after the Designated Officer becomes aware of the same.
- 3.3 On receipt of a communication of a potential material event / information, the Key Managerial Personnel shall jointly or severally determine the applicability of the regulation and necessity of making submission to the stock exchange.
- 3.4 Decision taken jointly by the Key Managerial Personnel in this regard shall be deemed to be final.
- 3.5 No person other than the Key Managerial Personnel as defined above shall be authorized to make any communication of undisclosed material information / potential material information, to the stock exchanges or any other public forum, without the prior written authorization of any of the Key managerial Personnel.

4. Guidelines for determining materiality of events or information

- 4.1 The event/information listed under paragraph A of Part A of Schedule III of the Listing Regulations (**‘Annexure A’**) will *per se* be deemed to be “material events” as defined in regulation 30(2) of the Listing Regulations without the applicability of materiality thresholds.
- 4.2 The following criteria shall be considered while determining the materiality of other event / 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; or
 - B. The omission of an event or information, which is likely to result in significant market reaction if the said omission came to light at a later date; or
 - C. In case where the criteria specified in sub-clause (A) and (B) are not applicable, an event/ information may be treated as being material if it breaches the materiality thresholds as specified in clause 6.2 of this policy.

5. Materiality Thresholds

- 5.1 Materiality must be determined on a case-to-case basis depending on specific facts and circumstances relating to the event / information. The following will be the materiality criteria which shall apply to events specified in the paragraph B of Part A of Schedule III of the Listing Regulations (**‘Annexure B’**) to this Policy.
- 5.2 An event would be considered material if its expected impact in terms of value, exceeds the lower of the following:
- a. 2% of turnover, as per the last audited consolidated financial statements of the listed entity;
or
 - b. 2% of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
or
 - c. 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;
 - d. In case where the criteria specified in sub-clauses (a), (b) and (c) is not determinable, the Key Managerial Personnel, may frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information / event.

6. Disclosure of Material Information

- 6.1 The Company shall strive to disclose all Material events or information within the timelines specified in the Applicable Laws.
- 6.2 The aforesaid disclosures shall be made in the following manner:
- A. Inform the stock exchanges on which the securities of the Company are listed;
 - B. Upload on the corporate website of the Company.
- 6.3 Provided that in case the disclosure is made after mandated period of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.
- 6.4 All the above disclosures will be hosted on the website of the Company for a minimum period of five years and thereafter archived in accordance with the Company’s Archival policy and Policy for preservation and archival of documents.
- 6.5 The Company shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

7. Communication and dissemination of the policy

7.1 This Policy as approved by the Board of Directors shall be notified and communicated to the all employees / functional head of respective departments of the Company. The new employees shall be informed about the Policy by the human resource and administration departments. A copy of this Policy shall also be hosted on the website of the Company.

8. Amendments

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

9. Scope and Limitation

9.1 In the event of any conflict between the provisions of this Policy and the Listing Regulations / the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Listing Regulations / the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

For CMS Info Systems Limited

Sd/-
Debashis Dey
Company Secretary & Compliance Officer

Date: 25th October 2023

Place: Mumbai

Version History

Version 1: Policy approved by the Board on August 10, 2021

Version 2: Policy reviewed and amended by the Board on October 25, 2023

ANNEXURE A

(Paragraph A of Part A of Schedule III of the Listing Regulations)

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 1 - '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 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 and such change exceeds two per cent of the total shareholding or voting rights in the said company.
 - c. the cost of acquisition or the price at which the shares are acquired exceeds
the threshold specified in clause 6.2 of this policy

Explanation 2 - sale or disposal of subsidiary

- (i) an agreement to sell or sale of shares or voting rights in a Company such that the Company ceases to be a wholly owned subsidiary, a subsidiary or an associate Company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in clause 6.2 of this policy.

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 ratings or 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:
 - (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 a 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 of reserves including the date on which such bonus shares shall 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 which may be subscribed to;

- (vii) short particulars of any other alterations of capital, including calls;
- (viii) financial results;
- (ix) Decision on voluntary delisting by the Company from stock exchange(s).
(Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered)

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. 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;
7. 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 ;

Explanation: Fraud & Default

“Fraud” shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

“Default” shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable

8. Change in Directors, Key Managerial Personnel (Executive Chairman/ Vice Chairman, Chief Executive Officer, Chief Financial Officer, company secretary etc. Senior Management), Auditor and Compliance Officer;
 - (i) In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.
 - (ii) In case of resignation of an independent director of the Company, within 7 days from the date of resignation, the following disclosures shall be

made to the stock exchanges by the Company.

- a. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the Company to the stock exchanges.
 - b. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
 - c. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.”
- (iii) 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.
- (iv) 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 45 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)

9. Appointment or discontinuation of share transfer agent;
10. Corporate debt restructuring;
11. One-time settlement with a bank;
12. winding-up petition filed by any party /creditors;
13. 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;
14. Proceedings of Annual and extraordinary general meetings of the Company;
15. Amendments to memorandum and articles of association of Company, in brief;
16. Schedule of Analyst or institutional investor meets at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations on financial results made by the Company to analysts or institutional investors.
17. 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.

Explanation – “social media intermediaries” shall have the same meaning as defined

under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021

18. 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

19. 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) 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. 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

ANNEXURE B

(Paragraph B of Part A of Schedule III of the Listing Regulations)

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. Any of the following events:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation 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 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. 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 Company;
10. Options to purchase securities including any ESOP/ESPS Scheme;
11. Giving of a guarantee or an 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
14. 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 may be necessary to enable the holders of securities/shares of the Company to appraise its position and to avoid the establishment of a false market in such securities.

15. Any other information as may be required by Board, from time to time.