

## **ARCHANA SOFTWARE LIMITED**

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### **1.0 Introduction**

The Securities and Exchange Board of India (hereinafter described as 'SEBI') has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and these Regulations came into force from 1st December, 2015.

With a view to ensure timely, adequate and accurate disclosure of information and also to bring uniformity in disclosure of information by listed entities, SEBI through Regulation 30 of the Listing Regulations mandated disclosure of material events by listed entities and adoption of a policy for determination of materiality.

### **1.1 Definitions**

**"Board of Directors" or "the Board"** means the Board of Directors of Archana Software Limited, as constituted from time to time.

**"Company"** means Archana Software Limited.

**"Policy"** means Policy for Reporting and Determination of Material Events.

**"Material Events"** means events specified in Schedule III to the Listing Regulations and upon the occurrence of which a listed entity shall make disclosures to the stock exchange(s) and post such disclosures on the website of the listed entity.

**"Compliance Officer"** means the officer appointed by the Board of Directors of the company to act as such and should be a qualified company secretary complying with the provision of the Listing Regulations.

### **2.0 Policy**

#### **2.1 Purpose of the Policy.**

Pursuant to Regulation 30(4)(ii) of the Listing Regulations the Board of Directors of Archana Software Limited, (the Company) has adopted the Policy for Reporting and Determination of Material Events, considering the events indicated in Para A and B of Part A of Schedule III of the Listing Agreement.

## **2.2 Procedures to determine materiality.**

The policy details the procedures to determine materiality of events and information and its disclosure.

The Board determines materiality of events or information, based on the following criteria, specified in Regulation 30(4)(i) of the Listing Regulations:

- a) the omission of an event or information, which is likely to result in discontinuity or alternation of event or information already available publicly;
- b) the omission of an event or information is likely to result significant market reaction if the said omission came to light at a later date;
- c) in case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event or information may be treated as being material, if in the opinion of the Board of Directors of listed entity, the event or information is considered material.

## **2.3 Disclosure of Events or Information**

The Listing Regulations divide the events that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Listing Regulations. Para B of the Part A of Schedule III indicates the events that should be disclosed by the listed entity, if considered material.

**A) Events or information which needs to be disclosed to the stock exchanges within 24 hours from the occurrence of such events or information, without any application of the guidelines for materiality are:**

- i) Acquisition (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring, or sale or disposal of unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
- ii) 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.
- iii) Revision in Rating.
- iv) Shareholder Agreement, Joint Venture Agreement, Family Settlement Agreement, agreement / treaty / contract with media companies which are binding and not in the normal course of business, revision(s) or amendment(s) and termination(s) thereof.

v) Fraud / defaults by promoters or key managerial personnel or by the Company or arrest of key managerial personnel or promoter.

vi) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.

vii) Appointment or discontinuation of share transfer agent.

viii) Corporate debt restructuring.

ix) One time settlement with a bank.

x) Reference to BIFR and winding-up petition filed by any party or creditors.

xi) Issuance to 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.

xii) Proceedings of Annual and Extraordinary General Meetings of the Company.

xiii) Amendments to Memorandum and Articles of Association of the Company, in brief.

xiv) Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Note: If the Management is not in a position to inform the stock exchange within 24 hours of the decision taken at the Board Meeting, then it shall inform the stock exchange(s) as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

**B) Events or information which needs to be disclosed to the stock exchanges within 30 minutes of the closure of the meeting, without any application of the guidelines for materiality are:**

i) Recommendation or declaration of dividend or cash bonuses or the decision to pass any dividend and the date on which dividend shall be paid or despatched.

ii) Cancellation of dividend with reasons thereof.

iii) Buyback of shares.

iv) Decision relating to raising of fund proposed to be undertaken.

v) Increase in capital by issue of bonus shares through capitalization including the date on which bonus shares shall be credited or despatched.

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) Alteration of capital including calls.

viii) Financial results.

ix) Voluntary delisting from stock exchanges.

**C) Events or information which shall be disclosed by the Company upon occurrence of which after applying the criteria for determination of materiality of events or information.**

i) Commencement or any postponement in the date of commencement of commercial production or operation of any unit or division.

ii) 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 of business or closure of operations of any unit or division (entirety or piecemeal).

iii) Capacity addition or new product launch.

iv) Awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business.

v) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

vi) Giving of guarantees or indemnity or becoming a surety for any third party.

vii) Options to purchase securities including any ESOP / ESPS Scheme.

viii) Fraud / defaults etc. by directors (other than key managerial personnel) or employees of the Company.

ix) Litigation(s) / dispute(s) / regulatory action(s) with impact.

x) Effect(s) arising out of change in the regulatory framework applicable to the Company.

xi) Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

xii) Agreements including loan agreements, which are binding and not in the normal course of business and any revision(s) or amendment(s) or termination(s) thereof.

**D) Any other information / event namely, major development that is likely to affect business like:**

- 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.

**E) In case where an event occurs or an information is available with the Company, which has not been indicated in para A or B or C or D above, but which may have material effect on it, the Company shall make adequate disclosure of such event or information as specified by the Board from time to time.**

The Management shall periodically bring to the attention of the Board of Directors of the Company, all information, events or materials which in its opinion has to be brought to the attention of the Members of the Stock Exchange(s).

**2.4 Authority for determination of materiality of events / information:**

The Key Managerial Personnel (KMPs) of the Company consisting of the Managing Director, Whole-time Director(s), Chief Financial Officer and Company Secretary are hereby jointly and severally authorised to determine the materiality of an event or information and make disclosures to stock exchange(s) under the Listing Regulations, subject to such information being placed prior to or at the next Board Meeting held after the said information being made public.

**2.5 Authorisation to KMPs to suo moto accept / deny reported event or information**

The Key Managerial Personnel (KMPs) consisting of Managing Director, Whole-time Director(s), Chief Financial Officer and the Company Secretary are hereby jointly and severally authorised to suomoto accept / deny report event or information, which has been public without authorisation by media or by any other means including but not limited to electronic means. They are further authorised to respond to the rumours

amongst the general public, which has no basis or documentation, in the best way, which protects the interests of the Company. Any such action taken by the KMPs shall however, be brought to the attention of the Board of Directors at their subsequent meeting.

## **2.6 Website updation / updates to Stock Exchange(s):**

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be disclosed on the website of the Company for a minimum period of 5 (five) years and thereafter archived as per the policy for Preservation of Documents which includes Archival Policy also, of the Company.

The Compliance Officer of the Company, with respect to the disclosure of any material event / information already made to the stock exchange(s), shall make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations to the Board of Directors and to the stock exchange(s). Such updates shall also be disclosed on the website of the Company.

The Compliance Officer shall provide specific and adequate reply to all the queries raised by the stock exchange(s) with respect to any event or information.

## **2.7 Review of Policy**

This policy shall be subject to review as may be deemed necessary and too comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.

## **2.8 Approval for the policy**

This policy was approved by the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> March, 2019.