

DRAFT POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE
OF
EVENTS OR INFORMATION

➤ **BACKGROUND**

The Securities and Exchange Board of India (SEBI) has issued and notified "SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations") requiring the listed Companies to make disclosure of events / information in a timely manner so as to regulate the market and control the flow of false information among the stake holders.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations), a listed entity is required to frame a policy for determination of materiality for disclosure of events or information to Stock Exchanges, based on the criteria as specified Sub Reg 4 of Regulation 30 and the same is also required to be disclosed on the Company's website.

➤ **DEFINITION**

"**Act**" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

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

"**Company**" means Maximaa Systems Limited.

"**Key Managerial Personnel**" mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

"**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.

"**Regulations**" mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

Any other term not defined herein shall have meaning respectively assigned to them under the SEBI's LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

"**Website**" mean website of the Company www.maximaagroup.com.

➤ **PURPOSE OF THE POLICY**

The Purpose of this Policy is to determine materiality based on criteria specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI LODR, 2015”) and to disclose material events which are necessary to be disclosed to the stock exchanges based on criteria as adopted as part of this policy and such criteria as prescribed in the Regulation.

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rules, regulation or standard governing the Corporation, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

➤ **DISCLOSURE OF EVENTS AND INFORMATION**

The Regulations has specified the events that 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 twenty-four (24) hours from the occurrence of such event or information to the Stock Exchanges (Exchanges) where the shares of the Company are listed and in case there is a delay in disclosing the event or information explanation for the delay shall be given.

Further the events shall also be disclosed on the website of the Company in the manner as provided in sub-regulation 8 of Regulation 30.

The events that are deemed to be material events are provided in Annexure A to his policy.

The events / information that shall be disclosed on applying the criteria of materiality is provided in Annexure B to this policy.

➤ **TYPE OF INFORMATION**

The information covered by this policy shall include ‘information related to the Company’s business, operations, or performance which has a significant effect on the securities investment decisions that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

➤ **CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

As required in the sub regulation 4 of Regulation 30 the Board of Directors of a Listed Company is required to frame a policy for determination of materiality in respect of events as provided in Annexure B.

Accordingly the Board of Directors of Maximaa Systems Limited (the Company) has laid down the following criteria for determination of materiality of an event or information for disclosure to the Stock Exchange (s) where the shares of the Company are listed:

- 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 is likely to result in significant market Reaction if the said omission came to light at a later date;
- c) In case where the criteria specified in (a) and (b) are not applicable an event/information may be treated as being material if in the opinion of the Board of Directors the information is considered material.

➤ **DISCLOSURE OF OTHER EVENTS:**

In case of an event not indicated in Annexure A or Annexure B but is determined by the Authorized KMP to have material impact on the Company, adequate disclosures shall be made by the Company to the Exchanges.

➤ **GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED**

The Company may be confronted with the question as to when an event/information can be said to have occurred.

In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

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.

In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

➤ **POWER TO DETERMINE MATERIALITY**

The Key Managerial Personnel as authorised by the Board of Director will determine the materiality of events / information. The Board of Directors have authorised the CFO and Company Secretary to determine the materiality of an event/ information.

➤ **REVIEW AND AMENDMENT OF POLICY:**

The policy shall be subject to review after every three years as deemed necessary and in accordance with any statutory/regulatory requirements and can be amended depending upon the circumstances and situations from time to time by the Board of Directors.

➤ **WEBSITE:**

As per the provisions of the listing regulations, the policy shall be disclosed on the website of the company.

ANNEXURE A

EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION 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 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 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).
 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;

ANNEXURE B

Events which shall be disclosed upon application of the guidelines for Materiality referred sub-regulation (4) of Regulation (30)

Sr.no	Particulars	Thresholds
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Having impact of 10 Crores or more on the Revenue.
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 of business or closure of operations of any unit/division (entirety or piecemeal).	Having impact of 10 Crores or more on the Revenue.
3.	Capacity addition or product launch.	Having impact of 10 Crores or more on the Revenue in a Financial year.
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Having impact of 10 Crores or more on the Revenue.
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.	Agreements for long term loans exceeding INR 30 crores with tenure exceeding 3years (excluding working capital facilities and other short term borrowings). Agreements whose value/ consideration exceeds 30 crores.
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.	If such conditions prevails for more than 1 month and effect on revenue is more than Rs. 5 Crore.
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Having impact of 10 Crores or more on the Revenue.
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Having impact of 10 Crores or more on the Revenue.

9.	Fraud/defaults etc. by directors (other than key managerial personnel) employees of listed entity.	Amount involved in Fraud exceeding INR 1 crore. All defaults by directors and employees which are criminal in nature.
10.	Options to purchase securities including any ESOP/ESPS Scheme.	Not applicable as the Company does not have any ESOP/ESPS Scheme.
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	Giving Guarantees or indemnity or becoming surety for any third party (excluding subsidiaries, associates and joint ventures, whose accounts are consolidated with the Company) for an amount exceeding 30 Crores.
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Having impact of 10 Crores or more on the Revenue.