



Subex Limited

POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT / INFORMATION

I. Preface

The Board of Directors (the "Board") of Subex Limited ("Company" or Subex) has adopted the following policy with regard to determination of materiality of events or information which are required to be disclosed to the Stock Exchanges on which the Company's Shares are listed. This Policy For Determination Of Materiality Of Any Event / Information ("Policy") has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

II. Policy Objective and Scope

To determine the events and information which in the opinion of the Board are Material and needs to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The policy is intended to present a high level policy statement and define Subex's policy on disclosure of events / information and to provide guidance to the Board of Directors, Key Managerial Personnel and other executives and staff working in Subex in making decisions and undertakings regarding its responsibility about making public such events/ information which may materially affect the performance of the company and thereby the share prices of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation of website the details of information / events which are considered material or not, but which may have a bearing on the performance of the Company and which may materially affect the share prices of the Company.

III. Definitions

In this Policy unless the context otherwise requires

- a. "Act" means The Companies Act, 2013 and Rules made there under, as amended from time to time.
- b. "Authorized Persons" shall have the same meaning ascribed to it under Clause III of this Policy.
- c. "Board" or "Board of Directors" shall mean the Board of Directors of Subex Limited, as may be re-constituted from time to time
- d. "Company" means Subex Limited

- e. "Financial Year" shall have the same meaning ascribed to it under the Act.
- f. "Material Information/event" shall mean information and/or event as described under Clause IV, Clause V & Clause VI of this Policy.
- g. "Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and comprises all members of management one level below the executive directors, including all functional and regional heads.

The words or expressions used but not defined herein, but defined under Act or the SEBI Listing Regulations shall have the same meaning assigned therein.

IV. Authorized Persons and Operating Committee

In order to ensure that the Company complies with the disclosure obligations under Regulations 30 of the SEBI Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchanges.

Under the system, Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, are the Authorized Persons and are responsible for all areas of the Company's operations.

The event / information should be reported by Senior management immediately on the said officer becoming aware of it. On receipt of communication of potential material event / information, the Authorized Persons will:

- i) Review event / information and take whatever steps necessary to verify its accuracy;
 - ii) Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
1. An Operating Committee, comprising:
- i) Managing Director & CEO
 - ii) Chief Operating Officer
 - iii) Chief Finance Officer, Global - Head Legal & Company Secretary

shall jointly or severally have the authority to determine the materiality of any information or event, classify it as Material Information or Material Event, and decide the appropriate time at which disclosure is to be filed with the Stock Exchanges and any other details that are to be filed.

2. The said Operating Committee will also decide the appropriate period/stage at which disclosure is to be filed with the Stock Exchanges including details that may be filed. The said information shall be adequate, accurate, explicit, timely and presented in a simple language
3. The Company Secretary shall ensure that all the disclosures made to the Stock Exchanges pursuant to this Policy are also hosted on the Company's website, kept hosted thereon as per the Archival Policy and also place the same at the following Board Meeting of the Company.

V. Guidelines for Materiality assessment

1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, 'quantitative' criteria will be applied.
2. In circumstances where 'quantitative' test may not be applicable or cannot be applied, a 'qualitative' or a 'subjective', criteria as under will be applied to determine materiality :
 - a. the omission of an event or information which is likely to :
 - result in a discontinuity or alteration of an event already available publicly;
 - or
 - result in significant market reaction if the said omission came to light at a later date;
 - b. Any event or information having a significant risk to the reputation of the Company as decided the Authorized Persons.
 - c. In the opinion of the Authorized Persons or Board of Directors of the Company, the event / information ought to be disclosed.
3. Only such impact which is direct (not derivative) and reasonably perceivable (not remote) and for reasonable foreseeable time horizon shall be considered in above cases.
4. In determining materiality, a number of factors such as the nature of the information (both quantitative and qualitative information), significant impact on the operations or performance of the Company, prevailing market conditions, general business practices, industry scenario, business outlook, non-disclosure could lead to creation of false market in the securities of the Company, confidentiality, etc. will be taken in to consideration.

5. The Company will disclose Material Information or Event concerning the business and affairs of the Company to the public immediately, except where not permitted by law.
6. The extent of the disclosures will depend upon the stage of discussions, studies, or negotiations and shall be done where it is concluded.

VI. Disclosure of events or information

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 SEBI Listing Regulations. Para B of Part A of Schedule III of SEBI Listing Regulations indicates the events that should be disclosed by the listed entity, if considered material.

- A. Deemed Material Information or Event - The events or information that have to be necessarily disclosed without applying any test of materiality and which is indicated in Para A of Part A of Schedule III of the SEBI Listing Regulations be disclosed by the Company to the Stock Exchanges on which its Securities are listed within 24 hours of the occurrence of the event or information unless otherwise specified herein. The following are the details stated therein:
- i. 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.
 - 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(s).
 - iv. 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).
 - v. 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.

- vi. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
- vii. Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- viii. Appointment or discontinuation of Share Transfer Agent.
- ix. Corporate debt restructuring.
- x. One time settlement with a bank.
- xi. Reference to BIFR and winding-up petition filed by any party / creditors.
- xii. 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.
- xiii. Proceedings of Annual and Extraordinary General Meetings of the listed entity.
- xiv. Amendments to Memorandum and Articles of Association of listed entity, in brief.
- xv. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

B. Events or information on which tests of Materiality are to be applied. The following events/information shall be disclosed within 24 hours of the occurrence of the event or information upon application of guidelines for materiality pursuant to Para B of Part A of Schedule III of SEBI Listing Regulations to which the Operating Committee shall apply qualitative tests as stated in Clause IV of this Policy.

S. No	Event/Information	Threshold
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Impact exceeding 3-5% of Turnover of the Company during previous Financial Year.
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 (in entirety or piecemeal).	Impact exceeding 3-5% of Turnover of the Company during previous Financial Year.
3	Capacity addition	Establishment of new centre or new location with seating capacity of 3-5% of manpower strength seats shall be disclosed.
4	Product /Service launch	Expected to contribute at least 3-5% of the turnover in the previous recorded Financial Year of the business division to which the product/service belongs.

S. No	Event/Information	Threshold
5	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Expected to contribute at least 3-5% of the turnover recorded Financial Year.
6	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.	Loans excluding working capital and other short term borrowings with a tenure exceeding 3 (three) years. Or Loans exceeding 20% of the net worth of the Company
7	Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), <i>force majeure</i> or events such as strikes, lockouts etc.	Estimated impact of 3-5% or more of the production or the turnover of the Company in case of disruption of operations due to natural calamity. In case of strike, lockout, <i>force majeure</i> or events etc. complete closure of any unit or five working days.
8	Effect(s) arising out of change in the regulatory framework applicable to the Company	Impact of 5% or more to the turnover of the Company during previous Financial Year.
9	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Outcome of litigation, dispute, and regulatory action is likely to have an impact of not less than 5% (five percent) of the turnover of the previous Financial year.
10	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.	Exceeding Rupees five crores
11	Options to purchase securities including any ESOP/ESPS Scheme.	Any new ESOP policy to be intimated
12	Giving of guarantees or indemnity or becoming a surety for any third party.	Guarantees or indemnity or becoming surety for sum not less than Rupees fifty crores.
13	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact exceeding 5% turnover of the Company during previous Financial Year.

Further, Part C specifies that brief details of any other information/event, major development that is likely to affect business, *inter alia*, emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts and any other information which is exclusively known to the listed entity

which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities are to be disclosed within 24 hours of the occurrence of the event or information.

VII. Timing of disclosure

All material events / information will be disclosed as soon as practicable as per the provisions of Regulation 30 read with SEBI's Circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015.

In the eventuality of the Operating Committee not in a position to inform the stock exchange within 24 hours of the decision taken at the Board Meeting/ occurrence of the event/ receipt of information as the case maybe, then it shall inform the stock exchange as soon as possible with an explanation as to reason for delay in disclosing the said information.

The events or information which are disclosed to the Stock Exchanges under this Policy, will be hosted on the website of the Company for a minimum period of five years and thereafter as per archival policy of the Company.

VIII. Guidance on when an event/information has occurred

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. 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.
 - 2.1. 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.

- 2.2. 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.

IX. Statutory Framework

This Policy is framed in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

X. Communication of this Policy

For all new Employees above grade M1 and above and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, along with other HR related policies. For all existing Employees in grades M1 and above and Directors, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the intranet and web-site of the Company.

XI. Amendment

Any change in the Policy shall be approved by the Board of Directors or the Audit Committee of the Company. The Board of Directors or the Audit Committee shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or the Audit Committee in this respect shall be final and binding.

XII. Effective date

This policy shall be effective from December 1, 2015.