



Policy for Determination of Materiality of Events or Information

*Revision No.:- 1.0
(W.E.F:18-September -2017)*

Newgen Software Technologies Ltd.

This document contains proprietary information of Newgen Software Technologies Ltd (NSTL). No part of this document may be reproduced, stored, copied or transmitted in any form or by any means of electronic, mechanical, photocopying or otherwise, without the consent of NSTL.

Revision History			
Release Date <i>(DD-MM-YY)</i>	Revision No.	Changes Summary <i>(Mention Sections Affected)</i>	Approved By <i>(Designation)</i>
18-09-17	1.0	First Release	Board of Directors

Table of Contents

1. Objective:.....	4
2. Definition.....	4
3. Policy Description/Guidelines:.....	4
3.1.Key Principles in Determining Materiality.....	4
4. Criteria for Determination of Materiality of Events / Information:	5
5. Occurrence of Material Event or Information:	5
6. Time Limit for Disclosure:	5
7. Authority:	6
8. Amendment:.....	6
9. General.....	6

1. Objective:

By virtue of the Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of Newgen Software Technologies Limited ("Newgen Software" or "the Company") recognizes the need to frame a policy for determination of materiality of events or information ("the Policy") for the purpose of timely and adequate dissemination of such information to the Stock Exchange(s) (as hereinafter defined).

This policy shall be applicable to all events in the Company, as and when they fall under the criteria enumerated in the policy.

2. Definition

- **Act** means the Companies Act, 2013.
- **Board of Directors** or "the Board" means the Board of Directors of Newgen Software Technologies Limited.
- **Company** or **Newgen Software** means Newgen Software Technologies Limited.
- **Listing Regulations** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **Material Events** means events as specified in Schedule III to the Listing Regulations from time to time upon occurrence of which a listed entity shall make disclosures to stock exchange(s) and host such disclosures on the listed entity's website.
- **Policy** means this Policy on Policy on Determination and Disclosure of Material Events/ Information.
- **Rules** means rules made under the Companies Act, 2013.

3. Policy Description/Guidelines:

3.1. Key Principles in Determining Materiality

Regulation 30 of Listing Regulations categorizes events or information that are material and need to be disclosed, broadly in the following groups.

- A. **Category 1:** Events specified in Para A of Part A of schedule III of the SEBI Regulations, to be disclosed without any application of the guidelines for materiality, as specified in sub-regulation (4) of Regulation 30 which lays down the criteria for determination of materiality of events /information.
- B. **Category 2:** Events specified in Para B of Part A of schedule III of the SEBI Regulations that have to be disclosed after considering the criteria as explained in sub-regulation (4) of Regulation 30, for determination of materiality of events /information.
 - a. **Category 3:** Any other event/ information viz. 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 any other information which is exclusively known to the Company and 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.

C. **Category 4:** Disclosure of any other event/ information, other than the aforementioned categories, as specified by the Board from time to time.

4. **Criteria for Determination of Materiality of Events / Information:**

The materiality of an event or information for relevant Categories as prescribed in clause 3, shall be subject to below two criteria read together: -

A. **Quantitative Criteria:** Calculated based on audited consolidated financial statements of the last financial year, would mean event/ information where the value involved or the impact exceeds 5 percent of the consolidated turnover, or exceeds 20 percent of the net worth whichever is lower.

B. **Qualitative Criteria:** Based on the below consideration:

- i. The omission of an event or information which likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. 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;
- iii. In case where criteria specified in the aforementioned categories are not applicable, an event or information may be treated as being material if in the opinion of the Board, the event/information is considered material.
- iv. All the event or information with respect to subsidiaries which are material for the Company.

5. **Occurrence of Material Event or Information:**

The occurrence of material event or information is categorized as under:

- i. depends upon the stage of discussion, negotiation or approval and
- ii. in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event or information.

In respect of the events under 5(i), 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 or 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 respect of the events under 5(ii), the events or information can be said to have occurred when the Company becomes aware of the events or 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. The term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include Promoter of the Company.

6. **Time Limit for Disclosure:**

The Board shall disclose all the material events or information to stock exchange(s) as soon as reasonably possible and not later than 24 hours from the occurrence of such event. In the event the Company fails to make a disclosure within the prescribed

period, the Company shall also provide an explanation for such delay.

Provided further that disclosure with respect to events specified in Point 4 of Para A of Part A of schedule III, shall be made within thirty minutes of the conclusion of the board meeting.

All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years and thereafter archived in accordance with the Company's Archival Policy.

7. Authority:

The authority for determining materiality of an event of information lies jointly / severally with the following members:

Mr. Diwakar Nigam, Managing Director, Newgen Software Technologies Ltd. D-152, Okhla Phase - 1, New Delhi - 110020 Phone: 91-1140 773 700	Mr. T.S. Varadarajan, Whole Time Directors Newgen Software Technologies Ltd., D-152, Okhla Phase - 1, New Delhi - 110020 Phone:91-1140 773 700	Mr. Arun Kumar Gupta, Chief Financial Officer Newgen Software Technologies Ltd., D-152, Okhla Phase - 1, New Delhi - 110020 Phone:91-1140 773 700
-------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------

Based on the decision of the above-named officials, the Compliance Officer shall make necessary disclosure to the Stock Exchange as specified in the Listing Regulation. The contact details of the Compliance Officer shall be made available on the website of the Company.

Mr. Diwakar Nigam, Managing Director, Mr. T.S. Varadarajan, Whole-time Director and Mr. Arun Kumar Gupta, Chief Financial Officer are severally authorised to suo-moto accept / deny any report event or information, which has been made public by media or by any other unauthorised means including but not limited to electronic means. Above members are further authorised, jointly / severally, to respond to the rumours amongst the general public, which has no basis or documentation, in a way which best protects the interests of the Company. Such action taken by him shall however, be brought to the attention of the Board of Directors at its immediately subsequent meeting. Provided Further that Mr. Diwakar Nigam, Managing Director, Mr. T.S. Varadarajan, Whole-time Director and Mr. Arun Kumar Gupta, Chief Financial Officer may also authorise any other senior officials of the Company for such suo-moto act as aforesaid.

8. Amendment:

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

9. General

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued there under, as

amended, from time to time.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulation or any other statutory enactments, rules, the provisions of such Act or Listing Regulation or statutory enactments, rules shall prevail over this Policy.

Category:1
PARA A OF PART A OF SCHEDULE III

I. Events which shall be disclosed without any application of the guidelines for materiality as specified in clause 4 of this policy:

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 to this sub-para 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) assigned by credit rating agency.
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:

- 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;
- any cancellation of dividend with reasons thereof;
- the decision on buyback of securities;
- the decision with respect to fund raising proposed to be undertaken
- increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- 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;
- short particulars of any other alterations of capital, including calls;
- financial results.
- decision on voluntary delisting by the Company from any stock exchange.

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.

Category: 2

PARA B OF PART A OF SCHEDULE III

II. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
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).
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) (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.
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.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.