



QUEST SOFTECH (INDIA) LIMITED

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QUEST SOFTECH (INDIA) LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS AND INFORMATION

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations). The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality.

1. 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**" shall mean the Board of Directors of Quest Softech (India) Limited, as constituted from time to time.

"**Company**" shall mean Quest Softech (India) Limited.

"**Listing Agreement**" shall mean an agreement entered or proposed to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015, as amended from time to time

"**Material Event**" or "**Material Information**" shall mean such event or information as set out in the Annexures or as may be determined in terms of Clause 3 of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly.

"**Policy**" shall mean this Policy on the criteria for determining Materiality of events or information and as amended from time to time.

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

"**Schedule**" shall mean schedules mentioned in this Policy and also Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

"Market Sensitive Information" shall mean information concerning the Corporation that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally

"Acquisitions" 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 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.

It also includes (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.

2. AUTHORITY TO DETERMINE MATERIALITY OF EVENTS

The respective Head of the Departments who are responsible for relevant areas of the Company's operations to which any item of information relates (Designated Officers) must report to the Executive Director of the Company any event / information which is 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 a Designated Officer becomes aware of it. The Company Secretary of the Company shall always be marked on such communication.

On receipt of a communication of a potential material event / information, the Company Secretary will:

- i. Review the event / information and take necessary steps to verify its accuracy;
- ii. Assess if the event / information is required to be disclosed to the Stock Exchanges under the Regulations under this policy, in consultation with any Executive Director (s) and/or any other Director of the Company, shall make necessary disclosures and take necessary actions as per Clause 3 of this policy.

If the Company Secretary is not certain about the materiality of any event / information, he/ she may refer matter for external legal advice.

3. DISCLOSURES OF EVENTS OR INFORMATION

- a. Events specified in Schedule A of this Policy 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 in the following manner:
 - i. inform the stock exchanges on which the securities of the Company are listed;
 - ii. upload on the corporate website of the Company.
- b. Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall along with such disclosure(s) provide an explanation for the delay.

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 policy for Preservation and Archival of Documents.

- c. Events mentioned in Schedule B of this Policy shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)
- d. Any other information/event viz. major development that is likely to affect business detailed given in Schedule C
- e. Without prejudice to the generality of para (A),(B) and (C) below, the company may make disclosures of event/information as specified by the Board from time to time.

4. COMMUNICATION AND DISSEMINATION OF THE POLICY

For all new Employees 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 and Directors, a copy of this Policy shall be posted on the web-site of the Company.

5. AMENDMENTS

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. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

**EVENT OF INFORMATION
SCHEDULE A**

1. Acquisitions of 5% or more of a company or purchase of additional 2% in companies where the current holding is more than 5%.
2. Change in holding from the last disclosure and if such change exceeds 2% of the total shareholding or voting rights in the said company.
3. 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.;
4. Sale of any unit(s) or division(s).
5. Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring).
6. Split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including redemption of securities etc.;
7. Revision in Rating(s).
8. 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:
 - 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 Company from stock exchange(s).
9. Agreements [viz. shareholder agreement(s), joint venture agreement(s), (to the extent that it impacts management and control of the Corporation), agreement(s)/contract(s) with media companies] which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
10. Fraud/defaults by any KMP or by the Corporation or arrest of any KMP;
11. Change in directors, KMP, Auditor and Compliance Officer.
12. Appointment or discontinuation of share transfer agent.
13. Corporate debt restructuring.
14. One time settlement with a bank.

15. Reference to BIFR and winding-up petition filed by any party /creditors.
 16. 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.
 17. Proceedings of Annual and extraordinary general meetings of the Company.
 18. Amendments to memorandum and articles of association of the Company, in brief.
 19. Presentations on financial results made by the Company to analysts or institutional investors;
- The above events shall be disclosed in accordance with the extant Regulations 2015 or guidelines issued thereunder, including any amendments thereto.

SCHEDULE B

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 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.
5. 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.
6. Effect(s) arising out of change in the regulatory framework applicable to the Company
7. Litigation(s) / dispute(s) / regulatory action(s) with impact.
8. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
9. Options to purchase securities including any ESOP/ESPS Scheme.
10. Giving of guarantees or indemnity or becoming a surety for any third party.
11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

SCHEDULE C

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.

For Quest Softech (India) Limited

Dhiren Kothary
Executive Director
(DIN-0000997)

Date: February 12, 2016
Place: Mumbai