

## **HCL INFOSYSTEMS LIMITED**

### **POLICY FOR DISCLOSURE OF EVENT OR INFORMATION AND DETERMINATION OF MATERIALITY**

#### **SCOPE AND PURPOSE**

The Securities Exchange Board of India, on 2<sup>nd</sup> September, 2015, had released SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015). By virtue of the said Regulations, 2015, HCL Infosystems Limited (the “Company”) recognizes the need to frame a policy to determine the Material Events as required under Regulation 30 of Regulations 2015 for the purpose of proper, sufficient and timely disclosure of the same to the Stock Exchange(s).

#### **APPLICABILITY**

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

#### **DEFINITIONS**

“**Act**” Means the Companies Act, 2013

“**Board of Directors**” or “the Board” means the Board of Directors of HCL Infosystems Limited as constituted from time to time.

“**Company**” means HCL Infosystems Limited.

“**Listing Regulations**” means the Securities and Exchange Board of India (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

“**Rules**” means rules made under the Companies Act, 2013.

“**Regulation**” means Regulation made under the Act.

#### **KEY PRINCIPLES IN DETERMINING MATERIALITY**

The Regulations, 2015 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 Regulation. Para B of Part A of Schedule III indicates the events that should be disclosed by the listed entity, if considered material.

### **Material Events (As per Para A of Part A of Schedule III)**

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 company 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 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.
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 company 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 company),(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 company 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 company.
13. Proceedings of Annual and extraordinary general meetings of the company.
14. Amendments to memorandum and articles of association of company, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the company to analysts or institutional investors;

#### **Material Events (As per Para B of Part A of Schedule III)**

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 Company 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 Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
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.

#### **CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION AND PROCEDURE FOR DISCLOSURE THEREOF**

##### **Materiality of an event/ information must be subject to two considerations:**

- **Qualitative Criteria:** Where the omission of the event/ information result in discontinuity/ alteration of information already available publicly; or result in significant market reaction if released at a later date; **(Subjective test)**
- **Quantitative Criteria:** Where the event results into change exceeding 10% of total revenue during the previous audited accounting year.

### When has an event leading to price sensitive information occurred?

- The disclosure requirements for material event/ information is triggered **only when it has occurred.**
  - **In case of Force majeure/ Natural Calamities**
  - The disclosure requirements trigger once the company/ or its officer becomes aware/ is ought to have **reasonably come in possession** of the information in course of performance of duties.
  - The developments need to be updated on a regular basis till the matter gets resolved.
  - Material information at the time of occurrence, include Expected quantum of loss/ damage, insurance coverage, impact on production/ operations.
  - Periodic disclosures to include,
    - Insurance amount claimed/ realised
    - Actual loss of damage.

### Disclosure with respect to agreements with investors etc.

- Information on a board's discussion and negotiation is to be disclosed if it is enforceable by an agreement.
- Agreements which would be considered of a binding nature, would include,
  - Definitive Agreements on acquisition, scheme of arrangement (amalgamation/ merger/demerger/ restructuring);
  - Shareholder agreements, Joint venture agreements, treaties, contracts, material loan agreements;
  - Agreement of sale or disposal of unit/ division or subsidiary of the company;
  - The disclosure requirements shall also apply to **revision(s) or amendment(s) or termination thereof to all material agreements**
- Information relating to Non-binding agreements are construed to not be material and hence are not required to be disclosed, unless otherwise considered by the Board
- Where materiality/ price sensitivity of an information cannot be determined, the disclosure requirements would prevail when probable impact of the event/ information is assessable **to the extent of 75% of the materiality threshold.**
- The company could measure this impact in terms of its effect on the assets, liabilities and impact on the company's financial condition.

## **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 this policy, shall be made within thirty minutes of the conclusion of the board meeting.

## **AMENDMENT**

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors 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 in this respect shall be final and binding.

## **OFFICER RESPONSIBLE:**

Any one of the Manager, Chief Financial Officer (CFO), Company Secretary & Compliance Officer or Chief Investor Relations officer (CIRO) of the Company shall be responsible for determining the materiality of an event and ensuring overall compliance of this Policy.

<b>S.No.</b>	<b>Designation of Officer responsible</b>	<b>Name</b>	<b>Phone No.</b>	<b>Email Id</b>
<b>1</b>	Manager	Mr. Vinod Pulyani	0120- 2526490	<a href="mailto:cosec@hcl.com">cosec@hcl.com</a>
<b>2</b>	Chief Financial Officer (CFO)	Mr. Kapil Kapur	0120- 2526490	<a href="mailto:cosec@hcl.com">cosec@hcl.com</a>
<b>3</b>	Company Secretary & Compliance Officer	Ms. Komal Bathla	0120- 2526490	<a href="mailto:cosec@hcl.com">cosec@hcl.com</a>
<b>4</b>	Chief Investor Relations Officer (CIRO)	Ms. Komal Bathla	0120- 2520977	<a href="mailto:cosec@hcl.com">cosec@hcl.com</a>