


eClerx

Policy for determining material events or information and its disclosure



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| Project | Policy for determining material events or information and its disclosure |
| Company | eClerx Services Ltd. |
| Prepared by | Legal & Secretarial |

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1. Introduction

This policy provides the guidelines adopted by the Company for determining materiality of events or information relating to the Company and procedures laid down for prompt disclosure of such material events/information.

Accordingly, *inter-alia*, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this policy has been adopted by the Company's Board of Directors vide its resolution dated November 2, 2015 in order to set forth the guidelines for determining material events or information relating to the Company and to ensure timely and adequate disclosure of material events or information so that present and potential investors are able to take informed decision with respect to their investment in the Company. This policy will be effective from December 1, 2015.

In respect of provisions not specifically provided herein but laid down under the relevant regulations, both present and future, those provisions will accordingly apply.

2. Definitions

For the purposes of this policy, the following definitions apply:

“Act” means Companies Act, 2013

“Board” means Board of Directors of the Company

“Company” means eClerx Services Limited;

“Directors” means Directors of the Company

“Key Managerial Personnel” (KMP) means:

- a. Chief Executive Officer and / or Managing Director
- b. Whole-time Director
- c. Chief Financial Officer
- d. Company Secretary
- e. Such other officer as may be prescribed

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

“Stock Exchanges” means BSE Limited and National Stock Exchange of India Limited

3. Procedures

This Policy will operate within the framework of the Companies Act 2013, rules thereunder and the Listing Regulations entered into by the Company with Stock Exchanges, as amended from time to time.

3.1. Deemed material events or information

The Company shall make disclosures of following events or information which are deemed to be material events according to Listing Regulations, without application of the aforesaid 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 Company or any other restructuring.

Explanation.- 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 this Explanation and such change exceeds two per cent of the total shareholding or voting rights in the said company.

It is however provided that the event requiring disclosure shall be said to have occurred only upon execution of a definitive agreement for any of the aforesaid instances.

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.

However issue of securities under Employee Stock Option Scheme(s)/Plan(s) will not be considered as event requiring disclosures hereunder, as the ESOP Schemes/Plans are pre-approved by the Shareholders and number of options granted thereunder are intimated to the Stock Exchanges.

3. Revision in Rating(s). However no disclosure will be required, for any revision in rating, which is not commissioned by the Company.
4. The Company shall disclose the outcome of Board Meetings to the Stock Exchanges, 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 Company 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), 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 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 on quarterly, half-yearly, annual financial results and presentations quarterly, half-yearly, annual financial results on financial results made by the Company to analysts or institutional investors.

The Company shall make disclosures of aforesaid events or information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall provide explanation for delay along with such disclosures.

3.2. Guidelines for determining materiality of events or information

The Company shall consider the following criteria for determination of materiality of events/information:

1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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;

3. In case where the criteria specified in sub-clauses (1) and (2) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

3.3. Events or information, considered material by Board

Subject to provisions of Clause 3.2, hereunder, the Company shall make disclosures of following events or information, if in the opinion of the Board of Directors of the Company, it is considered material. The Board shall after application of guidelines of materiality as specified in this Policy, determine the materiality of events or information. The following instances will require disclosure only if the event will have material impact on the Company. An event shall be construed to have material impact if it affects more than 10% of the consolidated revenue of the Company as per the latest audited annual accounts or if it will have material impact on Company's relationship with its Client(s):

1. 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).
2. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
3. 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.
4. 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.
5. Effect(s) arising out of change in the regulatory framework applicable to the Company
6. Litigation(s) / dispute(s) / regulatory action(s) with impact.
7. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
8. Any other information/event viz. major and material 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 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.

Without prejudice to the generality of above items, the Company may make disclosures of event/information as specified by the Board of Directors, from time to time.

In respect of the aforesaid items, if a prompt disclosure is required and it is not feasible and possible to immediately procure Board of Directors approval for the same, then any such disclosure for aforesaid material events/information to Stock Exchanges can be made with approval of Mr. PD Mundra, Executive Director or Mr. Rohitash Gupta, Chief Financial Officer of the Company.

4. Disclosure of Material events or information

The disclosures of material events/information to Stock Exchanges shall be approved by Mr. PD Mundra, Executive Director or Mr. Rohitash Gupta, Chief Financial Officer of the Company. They shall have authority to decide the following:

- a. materiality of an event/information and whether it qualifies for disclosure as per this Policy and/or Listing Regulations,
- b. the appropriate time at which such disclosure is to be filed with the Stock Exchanges
- c. details that may be filed in the best interest of present and potential investors and as per Listing Regulations

The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

The Company shall disclose on its website all such material events or information which has been disclosed to Stock exchanges, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Company's Policy on preservation of documents and archival, as disclosed on its website.

The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

5. Amendments to the Policy

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Date: November 2, 2015

Place: Mumbai

P.D. Mundhra

(Executive Director)