


eClerx

Policy for Determining Material Events or Information and its Disclosure



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


Document Title: Policy for determining material events or information and its disclosure	
Template Version:	
Last Updated: March 15, 2022	



This document is copyright protected in content, presentation, and intellectual origin, except where noted otherwise. You may not modify, remove, augment, add to, publish, transmit, participate in the transfer or sale of, create derivative works from, or in any way exploit any of the elements of this document, in whole or in part without prior written permission from eClerx Services Ltd. © 2021-2022.

Table of Contents


1.	Introduction	6
2.	Definitions	7
3.	Procedures	8
3.1.	Deemed material events or information	8
3.2.	Guidelines for determining materiality of events or information	11
3.3.	Events or information, considered material by Board	12
4.	Authority for determining materiality and dissemination of information	13
5.	Disclosure of Material events or information	14
6.	Amendments to the Policy.....	15

Document Title: Policy for determining material events or information and its disclosure	
Template Version:	
Last Updated: March 15, 2022	



List of Tables

No table of figures entries found.

Document Title: Policy for determining material events or information and its disclosure	
Template Version:	
Last Updated: March 15, 2022	

List of Figures

No table of figures entries found.

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 (a) set forth the guidelines for determining material events or information relating to the Company and procedures for prompt disclosure of such material events or information to the stock exchanges where the securities of the Company are listed; (b) provide a framework that instils confidence in the present and potential investors of the Company with respect to the quality, accuracy and integrity of information disclosed by the Company; and (c) ensure timely, accurate 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 is effective from November 2, 2015 and was amended on March 15, 2022 to be effective from **April 1, 2022**.

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 and the rules and regulations framed thereunder, as amended from time to time

“Board” means Board of Directors of the Company **“Company”** means eClerx Services Limited; **“Directors”** means Directors of the Company

“Key Managerial Personnel” (KMP) in relation to the Company, means key managerial personnel as defined under the Act

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

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

All other words and expressions used but not defined in this Policy, shall have the meaning as defined in the Listing Regulations, and if not defined therein, then as per the Securities and Exchange Board of India Act, 1992, the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.

3. Procedures

This Policy will operate within the framework of the Companies Act 2013, rules thereunder and the Listing Regulations, as amended from time to time.

3.1. Deemed material events or information

The Company shall make disclosures of the events specified in the Listing Regulations which are deemed to be material events according to the Listing Regulations, without application of the guidelines for materiality specified in Clause 3.2 below. These events currently include the following:

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,-

- a. acquiring control, whether directly or indirectly; or,
 - b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - i. 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;
 - ii. 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.
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 Board Meetings to the Stock Exchanges, within 30 (thirty) 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, auditor and compliance officer of the Company, as per the disclosure requirements given in the Listing Regulations.
8. Appointment or discontinuation of share transfer agent.
9. Resolution plan/ restructuring in relation to loans/borrowings from banks/financial institutions, as per the disclosure requirements given in the Listing Regulations.
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.
- a. Schedule of analyst or institutional investors meet presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

- b. Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the Stock Exchanges, in the following manner:
 - i. the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within 24 (twenty four) hours from the conclusion of such calls, whichever is earlier;

- (i) the transcripts of such calls shall be made available on the website within 5 (five) working days of the conclusion of such calls:

NOTE: The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 1, 2021 and mandatory with effect from April 1, 2022.

15. The following events in relation to the corporate insolvency resolution process (CIRP) of the Company under the Insolvency Code:

- a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b. Filing of application by financial creditors for initiation of CIRP against the Company, also specifying the amount of default;
- c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d. Public announcement made pursuant to order passed by the Tribunal under Section 13 of Insolvency Code;
- e. List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f. Appointment/ Replacement of the Resolution Professional;
- g. Prior or post facto intimation of the meetings of Committee of Creditors;
- h. Brief particulars of invitation of resolution plans under Section 25(2)(h) of Insolvency Code in the Form specified under Regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i. Number of resolution plans received by Resolution Professional;
- j. Filing of resolution plan with the Tribunal;
- k. Approval of resolution plan by the Tribunal or rejection, if applicable
- l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
 - i. Pre and Post net worth of the Company;
 - ii. Details of assets of the Company post CIRP;
 - iii. Details of securities continuing to be imposed on the Companies' assets;
 - iv. Other material liabilities imposed on the company;
 - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - vi. Details of funds infused in the company, creditors paid-off;
 - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;

- viii. Impact on the investor revised P/E, RONW ratios etc.;
 - ix. Names of the new promoters, key managerial persons(s) if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - x. Brief description of business strategy.
 - m. Any other material information not involving commercial secrets.
 - n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
 - o. Quarterly disclosure of the status of achieving the MPS;
 - p. The details as to the delisting plans, if any approved in the resolution plan.
16. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the Stock Exchanges by the Company:
- a. The fact of initiation of forensic audit along with name of entity initiating the audit and reasons for the same, if available;
 - b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

3.2. Guidelines for determining materiality of events or information

Materiality will be determined on a case to case basis depending on the facts and circumstances pertaining to the event or information.

Qualitative Criteria

The following qualitative criteria will be applicable 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;
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) above are not applicable, an event/ information may be treated as being material if in the opinion of the Board the event / information is considered material.

Quantitative Criteria

The following quantitative criteria will be applicable for determination of materiality of events/ information:

An event/ information may be treated as being material if in the opinion of the Authorized Personnel (as *defined below*), the value involved or the impact of such event/ information affects more than 10% of the consolidated revenue of the Company as per the latest audited annual financial statements of the Company.

The quantitative criteria shall be read in conjunction with the qualitative criteria for determining materiality and arriving at the overall decision on the event/ information to be reported.

3.3. Events or information, considered material by Board

Subject to provisions of Clause 3.2, the Company shall make disclosures to the Stock Exchanges of the events and information specified in the Listing Regulations if such events or information are considered material. These events/ information currently include the following

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 the Company.
10. Options to purchase securities of the Company including any employee stock option scheme/ employee stock purchase 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.
13. Any other information/event viz. major and material development that is likely to affect business,
14. 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 Executive Director or Chief Financial Officer of the Company.


4. Authority for determining materiality and dissemination of information

The Board *vide* resolution dated March 15, 2022 has severally authorized Executive Director and Chief Financial Officer of the Company (“**Authorized Personnel**”), to:

- a. review and assess an event or information on the basis of the prevailing facts and circumstances with the objective of ascertaining the materiality of an event/ information and deciding whether it qualifies for disclosure, as per this Policy and/ or the Listing Regulations,
- b. determine the appropriate time at which disclosure in relation to a material event/ information is to be filed with the Stock Exchanges based on an assessment of actual time of occurrence of such a material event/ information;
- c. determine the nature and extent of details in relation to the material event/ information that may be disclosed and filed with the Stock Exchanges, keeping in mind the best interest of the present and potential investors of the Company but subject to the Listing Regulations and the relevant acts, rules, regulations, notifications, orders, circulars, clarifications etc. on the subject as may be issued by relevant statutory authorities, from time to time; and
- d. remove doubts in case any ambiguity arises in relation to this Policy including in case of any acts, rules, regulations, notifications, orders, circulars, clarifications etc. on the subject as may be issued by relevant statutory authorities, from time to time, not being consistent with the provisions laid down under this Policy.

The Authorized Personnel may seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders, as they deem fit, for purposes of effectively exercising the aforementioned powers.

The Board *vide* resolution dated March 15, 2022 has authorized Executive Director, Chief Financial Officer and/or the Company Secretary to make the relevant disclosure in relation to a material event/ information with the Stock Exchanges, upon determination of the nature and timing of such disclosure by any of the Authorized Personnel in accordance with the terms of this Policy.

Document Title: Policy for determining material events or information and its disclosure	
Template Version:	
Last Updated: March 15, 2022	

5. Disclosure of Material events or information

Timing of disclosure

The Company shall make disclosure of an event or information pursuant to the Listing Regulations and this Policy, to the Stock Exchanges. Further, in case the disclosure is delayed for any reason, the Company shall provide explanation for delay along with such disclosure.

Nature of disclosure

Any disclosure made to the Stock Exchanges pursuant to this Policy, shall contain the necessary information as specified in the Listing Regulations. In case the Company does not disclose any such specified details, it shall state appropriate reasoning for the same as part of the disclosure.

Disclosure of information related to subsidiaries


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

Disclosure on website

The Company shall disclose on its website all such material events or information which have been disclosed to the Stock Exchanges, and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the Company's Policy on preservation of documents and archival, as disclosed on its website.

Disclosure updates

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.

Document Title: Policy for determining material events or information and its disclosure	
Template Version:	
Last Updated: March 15, 2022	



6. 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, orders, circulars, clarifications 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 over 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: March 15, 2022
Place: Mumbai

Priyadarshan Mundhra
(Executive Director)