



## **HINDUJA GLOBAL SOLUTIONS LIMITED (“the Company”)**

### **Policy on determining ‘Materiality’ under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### **Preamble:**

In order to provide a standard or guidance on fair disclosure (so as to rule out disclosure of varying details for similar events by the Companies), the BSE Limited on September 30, 2014 had issued a “Guidance Note” to help companies to make comprehensive disclosures relating to the indicative list of material events given in Clause 36 of the Listing Agreement. At the meeting of the Board of Directors (“the Board”) of the Company held on February 5, 2015, the policy on Clause 36 and the Guidance Note was approved by the Board.

The Securities and Exchange Board of India (SEBI) has, on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”) which will come into effect from December 1, 2015 and would supersede the existing “Listing Agreement”. Regulation 30 requires listed entities to frame a policy for determination of ‘materiality’ based on the criteria specified in the Regulation and disclosure to the Stock Exchanges.

Accordingly, this Policy for determination of ‘material’ events or information and disclosure of the same to the Stock Exchanges on which the Equity Shares of the Company are listed (NSE and BSE) was framed and was approved at the Board Meeting of the Company held on November 6, 2015 and will come into effect from December 1, 2015.

#### **Criteria for determination of materiality of event/ information:**

Following are the criteria:

- a) An omission of an event or information, which is likely to result in discontinuity or alteration of event or information about the Company already available publicly;
- b) An omission of an event or information which would be likely to result in significant market reaction if the said omission came to light at a later date;
- c) In case where the criteria specified in a) and b) are not applicable, an event/ information may be treated as being material if in the opinion of the Board, the event or information is considered material.

#### **Material Events/ Information:**

- A. Following is the indicative list of ‘material events’ in terms of Para A of Part A of Schedule III of the Regulations (Disclosure to be made without any application of the aforesaid criteria):

1. Acquisition(s), Scheme of Arrangement or sale or disposal of any unit(s), division(s) or subsidiary or other restructuring.
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 credit rating(s).
4. Outcome of meeting of Board 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. Decision on buy back of securities;
  - d. 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. Binding Agreements [viz. shareholder agreement(s), joint venture agreement(s), family settlement(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 not in the 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 KMP or promoter.
7. Change in directors, KMP, 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 Associations 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;

- B. Following is the indicative list of 'material events' in terms of Para B of Part A of Schedule III of the Regulations. Disclosure to be made by application of following criteria:

Criteria of threshold limit:

An event /information shall be considered material where the impact or potential impact of such event/ information can be estimated and such estimate exceeds the higher of 10% of the consolidated net turnover or revenue or 10% of the consolidated net worth of the Company based on the last available audited consolidated financial statements of the Company. If the impact/ potential impact of the event / information cannot be reasonably estimated, the final decision with regard to materiality of an event would vest in the Key Managerial Personnel so authorized by the Board of Directors herein.

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, 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 KMP) 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.

**Disclosures to the Stock Exchanges under Regulation 30:**

1. Disclosure shall be made to the Stock Exchange(s) upon the occurrence of any of the above 'material events'. The disclosure shall be made as soon as possible, but not later than twenty-four hours from the occurrence of the event or information (before they are made public). In case of delay of such disclosure, explanations for the delay shall be provided.
2. The events or information specified under the 'outcome of meeting of the Board' (included in Para A of Part A of Schedule III specified above) shall be disclosed within thirty minutes of the conclusion of the said Board Meeting.
3. The event or information referred to in Para A of Part A of Schedule III of the Regulations, shall be disclosed without any application of the criteria for materiality as specified above. The event or

information referred to in Para B of Part A of Schedule III of the Regulations, shall be disclosed upon application of the criteria for materiality.

4. In respect of the disclosures made above, the Company shall provide updates of material developments on a regular basis, till such time the event is resolved/ closed with relevant explanations.
5. In addition to the above mentioned 'material events', if in the opinion of the Board, any event or information is considered material, the same shall be disclosed to the Stock Exchanges.
6. The Company shall also disclose all events or information with respect to the subsidiaries which are material for the Company.

**Authority for making Disclosures:**

The Board has authorized Key Managerial Personnel of the Company, viz. the Chief Executive Officer, Chief Financial Officer or Company Secretary or all or any of them, to determine the materiality of event or information which would qualify for disclosure under Regulation 30. The contact details of the authorized personnel(s) shall also be disclosed to the Stock Exchange(s) and shall be uploaded on the website of the Company.

Once 'materiality of the event' is finalized, the authorized personnel(s) shall decide and finalize the information to be provided in the proposed disclosure to be filed with the Stock Exchanges.

The disclosure as finalized shall be submitted to the Stock Exchanges by any of the authorized personnel and thereafter the disclosure shall be uploaded on the website of the Company. The disclosure shall be uploaded on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company.

**Amendment:**

The Board reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with these Regulations or any law for the time being in force.

\*\*\*\*\*