

Shareholders' Referencer*

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* This Referencer has been prepared to facilitate Shareholders to understand the procedures involved in completing various investor-related transactions expeditiously and properly.

At a Glance

- **Presently, the company has about 52,000 folios of Shareholders holding Equity shares in the Company**
- **Face value of the Company's Equity shares is Rs 2/-.**
- **The Company's Equity shares are under compulsory trading in demat form only.**
- **About 98% of the Company's Equity shares are held in demat form.**
- **The Company's Equity shares are freely transferable except as may be required statutorily.**
- **Alankit Assignments Limited, New Delhi is the Registrar and Transfer Agent (R& TA) of the company.**
- **The Company's Equity shares are listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE).**
- **The Company's financial year ends on 30th June.**

Investor Service and Grievance Handling Mechanism

All the share related matters viz. transfer, transmission, transposition, nomination, dividend, change of name/ address/signature, registration of mandate / power of Attorney, replacement /split / consolidation of share certificate / demat / remat of shares, issue of duplicate certificates etc. are being handled by the Company's Registrar and Share Transfer Agents (R& TA) M/s. Alankit Assignments Limited.

Investors are requested to correspond directly with M/s. Alankit Assignments Limited on all share related matters at the following address: -

**M/s. Alankit Assignments Ltd.
Unit: HCL Infosystems Ltd.,
Alankit House,
2E/21, Jhandewalan Extension,
New Delhi – 110 055 (India)**

Tel: 011-23541234, 42541234

Fax: 011-42541967

Email: rta@alankit.com

The company has an established mechanism for investor service and grievance handling with M/s. Alankit Assignments Limited and the compliance Officer appointed by the Company for this purpose being the important functional nodes.

The Board of Directors of the company has constituted a Shareholders' / Investors' Grievance Committee (the Committee). The power of the transfer, transmission, issue of duplicate shares etc. has been delegated to R& TA. The Committee oversees performance of the R& TA and recommends measures for overall improvement in the quality of investor services.

Matters relating to Shareholders

I. Dividend

(A) Course of action in case of non-receipt of dividend / revalidation of dividend warrant etc.

Shareholders may write to the Company furnishing the particulars of the dividend not received and quoting the folio number / DP ID and Clint ID particulars (in case of dematerialized shares). The Company shall check the record and dispatch the bank drafts in case the same has been received undelivered by the Company.

In case of dividend warrant has been lost in transit, the Company would request the shareholder to execute an indemnity for issue of cheque / draft for the dividend before expiry of validity period of the dividend warrant. On receipt of indemnity, the Company shall arrange issue of Cheque (payable at par) / draft for the dividend amount.

After expiry of the validity period, if the dividend warrant is still shown as unpaid in record of the Company, the cheque (payable at par) / draft for the dividend amount shall be issued by the Company on the request of the shareholder.

No duplicate warrant will be issued in respect of dividends which have remained unpaid / unclaimed for a period of seven years in the unpaid dividend account of the Company as they are required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government.

Shareholders who have not encashed their dividend warrants within the validity period may send their request of revalidation to the Company enclosing the said dividend warrants. The Company will after due verification of the records, issue a cheque (payable at par) / draft for the dividend amount.

(B) Payment of dividend through National Electronic Clearing Service (NECS) facility

Under NECS facility investor's bank account is directly credited and the company issues an advice thereof after the transaction is effected. The concerned bank branch credits investor's account and indicate the credit entry as "NECS" in his / her passbook /Statement of account.

Investors holding shares in physical form may send their NECS Mandate Form, duly filled in, to the Company's R&TA.

However, if shares are held in dematerialized form, NECS mandate has to be sent to the concerned Depository Participant (DP) directly, in the format prescribed by the DP.

(C) Unclaimed Dividend

Statutory provisions governing unclaimed dividend

Prior to amendment of Section 205A and enactment of section 205C by the Companies (Amendment) Act, 1999, Companies were required to transfer to the General Revenue Account of the Central Government, any moneys transferred to the 'unpaid dividend account' which remained unpaid or unclaimed for a period of 3 years from the date of transfer to the unpaid dividend account.

With effect from October 31, 1998 any moneys transferred to the 'unpaid dividend account' of the Company and remaining unpaid or unclaimed for a period of 7 years from the date of such transfer shall have to be transferred to the Investor Education and Protection Fund (IEPF). Investors are requested to note that no claims shall lie against the Company or IEPF for any moneys transferred to IEPF in accordance with the provisions of section 205C of the Companies Act, 1956

Status of unclaimed and unpaid dividend for different years

In view of the statutory provisions, as aforesaid, the status of unclaimed and unpaid & status of unclaimed and unpaid dividend for different years:

| | Dividend for 1994-95 or before | Dividend for 1995-96, 1996-97, 1997-98, 1998-99 & 1999-2000, 2000-2001, 2001-2002, 2002-2003 & 2003-2004 (1st Interim), 2003-04 (2nd), 2003-04 (3rd), 2003-2004 (Final), 2004-2005 (1st Interim) | Dividend for 2004-2005 (2nd Interim) | Dividend for 2004-2005 (3rd Interim) and thereafter |
|-----------------------------|--|---|--|---|
| Transfer of unpaid dividend | Transferred to General revenue Account of the Central Government | Transferred to Central Government's Investor Education and Protection Fund (IEPF) | Will be transferred to IEPF in February, 2012 | Will be transferred to IEPF on due dates |
| Claims for unpaid dividend | Can be claimed from ROC, NCT of Delhi and Haryana | Can not be claimed | Can be claimed from the Company before transfer | Can be claimed from the Company within the time limits. |

*Shareholder who have not encashed their dividend warrant(s) relating to one or more of the financial year(s) up to and including 1994-95 are requested to claim such dividend from the Registrar of Companies, NCT of Delhi and Haryana CGO Complex.

(D) The Company has paid following Dividends to its Shareholders during the period given below:

| Year | Rate (%) |
|------------------------------------|-----------------|
| 2000 – 01 (Final) | 70% |
| 2001 – 02(Final) | 25% |
| 2002 – 03(Final) | 100% |
| 2003 – 04 (1st Interim) | 30% |
| 2003 – 04(2 nd Interim) | 50% |
| 2003 – 04(3 rd Interim) | 60% |
| 2003 – 04 (Final) | 70% |
| 2004 – 05 (1st Interim) | 70% |

| | |
|-------------------------------------|------|
| 2004 – 05(2 nd Interim) | 70% |
| 2004 – 05(3 rd Interim) | 70% |
| 2004 – 05 (Final) | 100% |
| 2005 - 06(1st Interim) | 100% |
| 2005 - 06(2 nd Interim) | 100% |
| 2005 - 06(3 rd Interim) | 100% |
| 2005 – 06 | 100% |
| 2006 - 07(1st Interim) | 100% |
| 2006- 07(2 nd Interim) | 100% |
| 2006- 07(3 rd Interim) | 100% |
| 2006- 07 (Final) | 100% |
| 2007- 08(1st Interim) | 100% |
| 2007- 08(2 nd Interim) | 100% |
| 2007- 08(3 rd Interim) | 100% |
| 2007- 08(Final) | 100% |
| 2008- 09(1 st Interim) | 100% |
| 2008- 09(2 nd Interim) | 75% |
| 2008- 09(3 rd Interim) | 75% |
| 2008- 09(Final) | 75% |
| 2009- 10(1 st Interim) | 75% |
| 2009- 10(2 nd Interim) | 100% |
| 2009- 10(3 rd Interim) | 100% |
| 2009- 10(Final) | 100% |
| 2010- 11(1 st Interim) | 100% |
| 2010- 11(2 nd Interim) | 100% |
| 2010- 11(3 rd Interim) | 100% |
| 2010-2011(Final) | 100% |
| 2011-2012 (1 st Interim) | 50% |
| 2011-2012 (2 nd Interim) | 50% |

II. Dematerialisation/ Rematerialisation of Shares

Dematerialisation (Demat) is the process by which securities held in physical form evidencing the holding of securities by any person are cancelled and destroyed and ownership thereof is entered into and retained in a fungible form on a depository by way of electronic balances. Demat facilitates paperless trading whereby securities transactions are executed electronically reducing/ mitigating possibility of loss of related documents and / or fraudulent transaction.

Trading in demat form is regulated by the Depositories Act, 1996 and is monitored by the Securities and Exchange Board of India (SEBI). The two depositories presently functioning in India are National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Company shares have been notified by SEBI for compulsory trading in demat form only.

Procedure for dematerializing shares

- Shareholders should not send share certificate(s) / documents to the Company/ Company's R&TA directly.
- Instead open Beneficiary Account, which a Depository Participant (DP) registered with SEBI.
- Submit Demat Request form (DRF) as given by the DP duly signed by all the holders with the names and signatures in the same order as

appearing in the concerned certificate(s) and the Company records, along with requisite documentary proof and PAN details.

- Obtain acknowledge from DP on handing over the share certificate(s).
- Demat transfers are required to be completed in 21 days as against 30 days (excluding time for dispatch) for physical transfer. Demat is completed within seven days from the date of the receipt of requisite documents for the purpose.
- Receive a confirmation statement of holdings from the DP. Statement of holdings is sent by the DPs from time to time.

Dividend on dematerialized shares

Dividend of shareholder holding shares in dematerialized form (residing at any of the centers where NECS facility available) will be credited through NECS to the bank accounts as opted by them while opening the Beneficiary Accounts with the DP. In other case dividend warrants will be dispatched to them with the bank account details, as furnished by the Depositories, printed thereon.

Holding shares in dematerialised form will not affect the rights of the Shareholders. They, as members of the company, will be entitled to receive Annual Report, attend General Meetings and participate and vote thereat to the extent of their entitlement.

Pledge of dematerialized shares

Dematerialised shares can be pledged for the purpose of availing of any funding/ loan arrangement with a bank.

Rematerialisation of shares

It is the process through which shares held in demat form are converted into physical form in the form of share certificate(s)

Procedure for Rematerialisation of shares

- Shareholders should submit duly filled in Rematerialisation Request form (RRF) to the concerned DP.
- DP intimates the relevant Depository of the Request through the system.
- DP submits RRF to the Company's R&TA.
- Depository confirms rematerialisation request to the Company's R&TA.
- The company's R&TA updates accounts and prints certificate(s) and informs the Depository.
- Depository updates the Beneficiary Account of the shareholder by deleting the shares so rematerialized.
- Share certificate(s) is dispatched to the shareholder.

III Nomination Facility

Statutory Provisions governing Nomination

Section 109A of the Companies Act, 1956 provides the facility of nomination to Shareholders. This facility is mainly useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of the death of all joint holders.

Investors, especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed form 2B to the Company's R&TA.

However, if shares are held in dematerialised form, nomination has to be registered with the concerned DP directly, as per the format prescribed by the DP.

Appointment of Nominee

Individual Shareholders holding the shares in single name or joint names can appoint a nominee. While an individual can be appointed as a nominee, a trust, society body corporate, partnership firm, Karta of HUF or a power of attorney holder will not be nominee(s). Minors can, however, be appointed as nominee.

There can be only one nomination for one folio.

Revocation / Variation of a nomination once made

It is possible to revoke / vary a nomination once made. If nomination is made by joint holders, and one of the joint holder dies, the remaining joint holder(s) can make a fresh nomination by revoking the existing nomination.

Status of joint holders

Joint holders are not nominees; they are joint holder of the relevant shares having joint rights on the same. In the event of death any one of the joint holders, the surviving joint holder(s) of the shares is/ are the only person(s) recognized under law as holder(s) of the shares. Joint Shareholders may together appoint a nominee.

Rights of nominee

The nominee is entitled to all the rights of the deceased shareholder to the exclusion of all other persons. In case of joint holding, all the rights shall vest in the nominee only in the event of death of all the joint holders. The nominee is required to apply to the Company by reporting the death of the nominator and submitting the death certificate.

The nominee has an option to decide to register himself as a shareholder or he could send an application to have the shares transferred to any other person to whom the nominator could have otherwise transferred the shares. If the nominee opts to transfer the shares to a third party, he should submit to the Company's R&TA, the transfer deed(s) duly stamped and executed accompanied by the relevant certificate(s) and other documentary proof(s).

If shares are held in dematerialized form, nomination has to be registered with the concerned DP directly as per the format prescribed.

IV Transfer / Transmission / Transposition / Duplicate Certificates etc

Procedure of registration of shares in favor of transferee(s)

Transferee(s) need to send share certificate(s) along with share transfer deed, duly filled in, executed and affixed with share transfer stamps, to the Company's R&TA. It takes about 10 to 15 days for the Company's R&TA. To process the transfer, although the statutory time limit fixed for completing a transfer is one month. The stamp duty for transfer of shares at present is twenty five paise (25 paise) for every Rs. 100/- or part

thereof of the market value of shares on date of execution of the transfer deed. The transferee has to attach a copy of his or her PAN alongwith the transfer deed.

The transfer deed is valid for a period of one year from the date of presentation or till the book closure date, which is later. In case of dematerialized shares, the shares are credited to the purchaser's account by the respective Depository participant. The transfer of dematerialised shares does not attract stamp duty.

Procedure for getting shares in the name of surviving shareholder(s), in the event of death of one shareholder

The surviving shareholder(s) will have to submit a request letter alongwith attested copy of the death certificate of the deceased shareholder and the relevant share certificate(s). R&TA after scrutiny will delete the name of deceased shareholder from its records and return the duly enclosed share certificate (s) to the surviving shareholder(s)

Status of claimants if a shareholder who holds shares in the sole name dies without leaving a will

The legal heir(s) should obtain a succession certificate or letter of administration with respect to the shares and send a true copy of the same, duly attested, alongwith a request letter, transmission form and the share certificate(s) in Original, to the Company's R&TA for transmission of the shares in his/ their name(s).

Status of Claimants if a deceased shareholder who held shares in his / her own name (single) and had left a will.

The legal heir(s) will have to get the will probated by the Court of competent jurisdiction and then send to the Company's R&TA a copy of the probated copy of Will alongwith details of the shares, the relevant shares certificate(s) in original and transmission form for transmission of the shares in his/ their name(s).

Procedure for the change in order of names (i.e. transposition)

Share certificates alongwith a request letter duly signed by all the joint holders may be sent to the Company's R&TA for change in order of names, known as 'transposition'. Transposition can be done only for the entire holdings under a folio and therefore, request for transposition of part holding cannot be accepted by the Company / R&TA.

For shares held in demat form, investors are advised to approach their DP concerned for transmission/transposition of the shares the company.

Procedure for obtaining duplicate share certificate(s) in case of loss/ misplacement of original share certificate(s)

Shareholders who have lost / misplaced share certificate(s), should inform the company's R&TA, immediately about loss of share certificate(s), quoting their folio number and details of share certificate(s), if available. The R&TA shall immediately mark a 'stop transfer' on the folio to prevent any further transfer of shares covered by the lost share certificate(s).

It is recommended that the shareholder should lodge a FIR with the police regarding loss of share certificate(s). They should send their request for duplicate share certificate(s) to

the Company's R&TA. Documents required to be submitted alongwith the application include Indemnity Bond, Surety Form copy of FIR, Memorandum of Association and Certificate copy of the Board Resolution (in case of companies).

Procedure in case the Shareholder finds the original share certificate(s) after receipt of duplicate share certificate(s)

Such a shareholder is requested to surrender the original share certificate(s), after cancellation, to the Company's R&TA immediately, if the duplicate share certificate(s) have been issued to him. Further, as the shareholder has been issued duplicate share certificate(s), he would be liable to indemnify any innocent third party (ies) purchasing the original share certificate(s), directly or indirectly, with or without the knowledge of the original shareholder, as it tantamount to passing of adverse title.

Procedure for splitting of a share certificate into smaller lots

Shareholders may write to the Company's R&TA enclosing the relevant share certificate for splitting into smaller lots. The share certificates, after splitting, will be sent by R&TA to the shareholder at their registered address.

V. Miscellaneous

(A) Change of address

Procedure for change in address registered in the Company's records

Shareholders holding shares in physical form may send a request letter duly signed by all the holders giving the new address along with pin code. If shares are held in dematerialized form, information about change in address needs to be sent to the DP concerned.

There can be only one registered address for one folio.

(B) Change of name

Procedure of registering change of name of Shareholders

Shareholders may request the Company's R&TA for effecting change of name in the share certificate(s) and records of the Company. Original share certificate(s) alongwith the supporting documents like marriage certificate, court order etc. should be enclosed. The Company's R&TA, after verification, will effect the change of name and send the share certificate(s) in the new name of the Shareholders. Shareholders holding shares in demat form, may request the concerned DP in the format prescribed by DP.

(C) Authority to another person to deal with shares

Procedure for authorising any other person to deal with the shares of the Company

Shareholders need to execute a Power of Attorney in favour of the concerned person and submit a notarized copy of the same to the company's R&TA. After scrutiny of the documents, the R&TA shall register the Power of Attorney and inform the Shareholders concerned about the registration number of the same.

VI. Shareholders' General Rights

- To receive not less than 21 clear days' notice of general meetings unless consented for a shorter notice
- To receive notice and forms for Postal Ballots in terms of the provisions for the Companies Act, 1956 and the concerned Rules issued there under.
- To receive copies of Balance Sheet and Profit and Loss Account alongwith all annexure / attachments.
- To participate and vote at general meetings either personally or through proxy (proxy can vote only in case of a poll)
- To receive dividends and other corporate benefits like bonus, rights etc. once approved.
- To demand poll on any resolution at a general meeting in accordance with the provisions of the Companies Act, 1956.
- To inspect statutory registers and documents as permitted under law.

VII. Green Initiative in the Corporate Governance

As a Green Initiative measure, the Company intends to send all the communications to its shareholders in electronic form. Shareholders holding shares in physical form are requested to register their e-mail ID with the Company and while shareholders holding shares in electronic mode, are requested to register their e-mail with their Depository Participant (DP) also with whom they are maintaining their demat account.

VIII. Duties / Responsibilities of Investors

- To remain abreast of corporate developments, company specified information and take informed investment decision(s)
- To be aware of relevant statutory provisions and ensure effective compliance therewith.
- Not to indulge in fraudulent and unfair trading in securities or to act upon any unpublished price sensitive information.
- To participate effectively in the proceedings of Shareholders meetings.
- To respond to communications seeking Shareholders' approval through Postal Ballot.
- To respond to communications of SEBI / Depository / Depository Participant / Brokers / Sub-brokers / Other Intermediaries / Company, seeking investor feedback comments.

IX. General Safeguards

In pursuit of the Company's objective to mitigate / avoid risks while dealing with securities and related matters, the following and certain general safeguards suggested for investors to follow:

- Folio number (Client ID and DP ID number in respect of dematerialized securities) should not be disclosed to unknown persons. Signed blank transfer deeds (delivery instruction slips in respect of dematerialized shares) should not be given to unknown persons.
- Off-market deals and dealings with/through unregistered intermediaries should be avoided. It exposes investors to the counter-party risk.
- Demat account should not be kept dormant for long; periodic statement of holdings should be obtained from the concerned DP and holdings verified.
- Correspondence containing certificates of securities and high value dividend/interest warrants/cheques/demand drafts should not be sent by ordinary post.

- A valid contract Note/confirmation Memo should be obtained from broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the Contract Note/ Confirmation Memo contains order no., trade no., trade time, quantity, prices and brokerage.
- Investors should restrain themselves from indulging into insider trading and fraudulent trading practices.
- Investors should convert their physical holdings of securities into demat holdings.

IX. Contact:

Kindly contact:

The Company Secretary

HCL Infosystems Ltd.

E – 4, 5, 6, Sector – XI,

NOIDA (U.P) – 201 301

Tel. No.: 0120-4203107, 0120-2526490

Fax: 0120-2525196

Email: cosec@hcl.com

X. Company's Website

The Company has its website namely www.hclinfosystems.com This provides detailed information about the Company, its products and services offered, locations of its corporate office and various sales offices etc. It also contains various information to enable its Shareholders to have updated information of the financial performance of the Company and to understand the procedures involved in completing various investors' related transactions expeditiously and properly. The quarterly results, annual reports and shareholding distributions etc. are updated on the website of the company from time to time.