

Disclosures pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity Regulations, 2021 (“SEBI ESOP Regulations”))

HCL Technologies Limited - Restricted Stock Unit Plan 2021: Pursuant to the approval of shareholders of the Company obtained through Postal Ballot on November 28, 2021, the Board of Directors of HCL Technologies Limited (“the Company”) has been authorized to adopt and implement ‘HCL Technologies Limited - Restricted Stock Unit Plan 2021’ (RSU Plan 2021”) to the Eligible Employees of the Company and/or its Subsidiary/Associate Company(ies).

A maximum of 1,11,00,000 (One crore eleven lakhs) Restricted Stock Units (“RSUs”) in one or more tranches may be granted under the RSU Plan 2021, which on exercise would entitle not more than 1,11,00,000 (One crore eleven lakhs) equity shares of ₹2/- each (approximately 0.41% of the paid-up equity share capital as on March 31, 2021), with each such RSU conferring a right upon the Grantee to apply for one equity share of the Company, which may be adjusted for any corporate action(s) in terms of the RSU Plan 2021. As on date of this Report, the Company has utilized approx. 94% of total RSUs available under the RSU Plan 2021. Further, the RSU Plan 2021 grants RSUs to the Eligible Employees, which entitles them to receive equity shares or cash in lieu of equity shares on exercise of the vested RSUs.

The maximum number of RSUs that can be granted to an Eligible Employee under the RSU Plan 2021 shall not exceed 13,00,000 (Thirteen lakhs) RSUs, which on exercise would entitle not more than 13,00,000 (Thirteen lakhs) equity shares of ₹2/- each of the Company.

The RSU Plan 2021 shall be administered and implemented by the Nomination and Remuneration Committee (“NRC”) through HCL Technologies Stock Options Trust (“HCL Trust”).

The RSU Plan 2021 has been implemented by way of secondary acquisition of equity shares of the Company by the HCL Trust for transferring the same to the Eligible Employees or sell these shares (to the extent permissible under the cashless exercise) on exercise of the vested RSUs by the Eligible Employees. Accordingly, no fresh shares are issued or will be issued by the Company either to the HCL Trust or the RSUs Grantees.

A certificate from the Secretarial Auditor of the Company that the RSU Plan 2021 has been implemented in accordance with the SEBI ESOP Regulations and in accordance with the resolutions of the Company in the general meeting, will be made available at the Annual General Meeting (“AGM”), electronically.

The disclosures pursuant to Regulation 14 read with Part F of Schedule I of the SEBI ESOP Regulations as on March 31, 2024 are as follows.

1. The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the SEBI ESOP Regulations:

There is no material change to the RSU Plan 2021 which was approved by the shareholders and the RSU Plan 2021 is in compliance with the SEBI ESOP Regulations.

2. The following details, *inter alia*, shall be disclosed on the Company’s website and a web-link thereto shall be provided in the report of Board of Directors.

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the ‘Guidance note on accounting for employee share-based payments’ issued in that regard from time to time.

The disclosures are provided in the note “2.13” of the notes to standalone financial statements and note “3.12” of the notes to consolidated financial statements of the Company for Financial Year ended March 31, 2024.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘ Indian Accounting Standard (Ind AS) 33- Earning per share’ (Erstwhile ‘Accounting Standard 20 - Earnings Per Share’) issued by Central Government or any other relevant accounting standards as issued from time to time.

The disclosures are provided in the note “2.29” of the notes to standalone financial statements and note “3.27” of the notes to consolidated financial statements of the Company for Financial Year ended March 31, 2024.

C. Details related to ESOS

- (i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including** - A brief description of the RSU Plan 2021 existed in the Company is provided above. Further, the general terms and conditions of such RSU Plan 2021 are provided below:

S. No.	Particulars	Details as per RSU Plan 2021
(a)	Date of shareholders' approval	November 28, 2021
(b)	Total number of options approved under ESOS	1,11,00,000 (One crore eleven lakhs)
(c)	Vesting requirements	The RSUs shall vest in the 'Eligible Employees who have been granted RSUs under the RSU Plan 2021' subject to continuing employment with the Company or subsidiary(ies) or associate company(ies) of the Company. The vesting of RSUs shall be in accordance with the schedule and the terms as specified in the Award Agreement (including time and / or performance based conditions for vesting).
(d)	Exercise price or pricing formula	Exercise price will be the price stated in the Award Agreement, which shall not exceed the par value of the underlying shares to be transferred on exercise of vested RSUs, payable by the Grantee in order to exercise the vested RSUs pursuant to the Plan. For sake of clarity the Exercise Price can be zero also, subject to compliance with the applicable laws.
(e)	Maximum term of options granted	The Plan will continue to be in effect for a period of 8 years from the date of approval by the Company's shareholders unless terminated earlier by the NRC. The vesting period of RSU Granted shall not be less than a period of 1 year, and which may extend to a maximum of 5 years, from the date of the Grant, as may be decided by the Administrator and stated in the Award Agreement. However, in case of death or disability, the minimum vesting period of 1 year shall not apply. Further, maximum exercise period from the date of vesting is 6 months.
(f)	Source of shares (primary, secondary or combination)	Secondary
(g)	Variation in terms of options	Not Applicable

(ii) Method used to account for ESOS - Intrinsic or fair value:

The Company shall use the Fair Value Method for valuation of the RSUs granted, in accordance with the accounting standard on share-based payments including any changes that may be prescribed from time to time.

(iii) Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed:

Not Applicable.

(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	77,53,568
Number of options granted during the year	3,12,335
Number of options forfeited / lapsed during the year	5,19,362
Number of options vested during the year	57,44,953
Number of options exercised during the year	6,25,574
Number of shares arising as a result of exercise of options	No fresh shares were issued by the Company. 6,25,574 shares against the exercise of RSUs were transferred through the Trust Mechanism.
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Scheme is implemented through Trust
Loan repaid by the Trust during the year from exercise price received	₹ 79.56 crores
Number of options outstanding at the end of the year	69,20,967
Number of options exercisable at the end of the year	52,53,882

- (v) **Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:**

Weighted-average exercise price (₹)	₹ 2
Weighted-average fair value of options as on date of grant (₹)	₹ 1,069

- (vi) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –**

Particulars	Name	Designation	Number of RSUs granted during the year (Performance and Tenure Based)	Exercise Price Per RSU (₹)
(a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Prateek Aggarwal	Chief Financial Officer	5,093	2
	Vijay Anand Guntur	Chief Technology Officer & Head of Ecosystems	4,808	2
(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Details are provided in Annexure - A			
(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No employee has been granted RSUs equal to or exceeding 1% of the issued capital of the Company during the financial year ended March 31, 2024.			

- (vii) **A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

Method & Model	The fair value of the awards are determined using the Black-Scholes Model for RSUs with time and non-market performance-based vesting conditions and Monte Carlo simulation model is used for RSUs with market performance based vesting conditions.
Significant assumptions	
The Weighted average values of share price	₹ 1,214/-
Exercise price	₹ 2/- per RSU
Expected Volatility	22.7 - 29.3 %
Expected option life	1.3 - 4.5 years
Expected dividend	3.9 - 4.4 %
Risk free interest rate	6.8 - 7.1 %
Any other inputs to the model	-
The method used and the assumptions made to incorporate the effects of expected early exercise	Early exercise of option is not available.

How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility?	Expected volatility during the term of the RSUs is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSUs. In case of certain performance based RSUs, expected volatility of the selected industry peers have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the RSUs.
Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	In case of certain performance based RSUs, correlation coefficient is calculated between each peer entity based on the historical weekly share prices of the companies.

Disclosures in respect of grants made in three years prior to IPO under each ESOS (Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made) –

Not Applicable.

D. Details related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all schemes

S. No.	Particulars	Details
1.	Name of the Trust	HCL Technologies Stock Options Trust
2.	Details of the Trustee(s)	Mr. Puneet Mehra Mr. Raj Walia Mr. Subodh Jain
3.	Amount of loan disbursed by company / any company in the group, during the year	₹ 0.07 crores
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 721.80 crores
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6.	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust

S. No.	Particulars	Details
(a)	Number of shares held at the beginning of the year;	63,00,153
(b)	Number of shares acquired during the year through (i) primary issuance	Nil
	(ii) secondary acquisition	Nil
	• Number of shares acquired during the year	
	• Percentage of paid up equity capital as at the end of the previous financial year	NA
	• Weighted average cost of acquisition per share	NA
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	6,25,574
(d)	Number of shares held at the end of the year	56,74,579

(iii) In case of secondary acquisition of shares by the Trust

Number of Shares	As a percentage of paid-up equity share capital at the end of the year (i.e. March 31, 2021) immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	63,00,153
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	6,25,574
Held at the end of the year	56,74,579

**For and on behalf of the Board of Directors of
HCL Technologies Limited**

Place: Noida (U.P), India
Date: April 26, 2024

**Roshni Nadar Malhotra
Chairperson
DIN: 02346621**