

## HCL Technologies Limited

### Policy for determining Material Subsidiary

#### 1. Purpose

This Policy for determining Material Subsidiary (“Policy”) aims to set out the principles for determining a material subsidiary of HCL Technologies Limited (“Company”). This Policy seeks to record, more formally, the Company’s policy on material subsidiary and to comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) as may be amended from time to time.

#### 2. Definition

**Material Subsidiary:** A “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds the prescribed limit as defined in the SEBI LODR of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

#### 3. Regulation of Material Subsidiaries

- a) The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the Material Subsidiary without passing a special resolution in a general meeting of its shareholders except in cases where such disinvestment is made under a Scheme of arrangement duly approved by a Court/Tribunal.
- b) The selling, disposing and leasing of assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution unless the sale/disposal /lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

At least one independent director on the board of directors of the holding Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not, whose income or net worth exceeds the prescribed limit as defined in the SEBI LODR of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- c) Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report given by a company secretary in practice, in such form as may be specified.

#### **4. Procedure for determining Material Subsidiary**

In order to determine the material subsidiary, the Company shall use its Audited Financial Statements of the previous financial year and each subsidiary shall be put to test as per the definition of material subsidiary stated in this policy. At the end of every financial year when the financial statements are approved by the Board of Directors of the Company, each of the Company's subsidiaries shall be put to test. The subsidiary, that qualifies the test of material subsidiary, shall be considered as material from that date.

#### **5. Disclosure**

This Policy shall be disclosed to on the Company website and web link thereto shall be provided in the annual report of the Company.

#### **6. Limitation and Amendment**

Any subsequent amendment / modification in the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and/or applicable laws in this regard shall automatically apply to this Policy.