

HINDUJA GLOBAL SOLUTIONS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY (“The Policy”)

1. Preamble and Applicability:

This policy is framed pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Regulations), Amendment Regulations, 2015 which came into force from December 1, 2015 by Hinduja Global Solutions Limited (“HGS” or “the Company”), in substitution of earlier Policy framed pursuant to Clause 49 of the erstwhile Listing Agreement.

Further on May 9, 2018, SEBI notified SEBI (Listing Obligations and Disclosure Regulations), Amendment Regulations, 2018 modified time to time, which shall be effective from April 1, 2019 (“Amended Regulations”).

This Policy is modified by the Company pursuant to the above Amended Regulations.

2. Definition:

- (i) “Act” means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (ii) “SEBI Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory or modification or re-enactment thereof,
- (iii) “Subsidiary Company” as defined under clause 2(87) of the Act
- (iv) “Holding Company” as defined under clause 2(46) of the Act
- (v) “HGS” means Hinduja Global Solutions Limited
- (vi) The term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of HGS and its subsidiaries in the immediately preceding accounting year.
- (vii) The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for immediately preceding accounting year.

3. Basis of Determining Material Subsidiary

This Policy lays down the basis of determining Material Subsidiaries of HGS and related issues as specified in the provisions of the SEBI Regulations.

A Subsidiary shall be considered as material if its income or net worth exceeds ten percent of the consolidated income or net worth respectively, of HGS and its subsidiaries in the immediately preceding accounting year.

On the basis of the above, HGS shall determine 'material subsidiary'.

4. Implementation and Approval process

- a) At least one independent director on the Board of Directors of HGS, the Holding Company will be appointed as a director on the Board of Directors of an unlisted material subsidiary whether incorporated in India or not.

For the purposes of this provision:

- i. The term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of HGS and its subsidiaries in the immediately preceding accounting year.
- b) As per Regulation 24(5) of SEBI Regulations, HGS will not dispose of shares in its material subsidiary which would reduce HGS's shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting (except in cases where such divestment is made under a Scheme of Arrangement duly approved by a Court/ Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved).
- c) Prior approval of the Shareholders of HGS by way of a Special Resolution will be obtained for sale, disposal of and leasing of assets amounting to more than 20% of the material subsidiary on an aggregate basis during the financial year (exception being if the sale/ disposal/ lease is made under a Scheme of Arrangement duly approved by a Court/ Tribunal or under a resolution plan duly approved under section 31 of the

Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved).

- d) In the event subsidiary of HGS becomes a listed subsidiary which itself is a holding company, then this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.
- e) The management of HGS should periodically bring to the attention of the Board of Directors of HGS, a statement of all significant transactions and arrangements entered into by an unlisted subsidiary company.
- f) Separate audited financial statements of each subsidiary of HGS in respect of a relevant financial year, shall be uploaded at least 21 days prior to the date of that annual general meeting which has been called to inter alia consider accounts of that financial year.
