

HCL TECHNOLOGIES LTD.

Corporate Identity Number: L74140DL1991PLC0463C9

Technology Hub, Special Economic Zone

Plot No : 3A, Sector 126, NOIDA 201 304, UP, India.

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Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.

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March 20, 2019

The Chief General Manager
Corporate Finance Department
Securities and Exchange Board of India
SEBI Bhavan, Plot C-4-A, 'G' Block,
Bandra Kurla Complex,
Mumbai – 400 051

Dear Sir,

Sub: Request for Informal Guidance by way of interpretative letter under the provisions of SEBI (Informal Guidance) Scheme, 2003

Ref: Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We submit this letter for seeking an informal guidance in the form of an interpretative letter under the provisions of the SEBI (Informal Guidance) Scheme, 2003 ("Scheme"), in connection with the compliance of the provisions of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. Background of the Applicant

- 1.1 HCL Technologies Limited ("HCL" or "Company") is a public limited company incorporated under the provisions of the erstwhile Companies Act, 1956. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
- 1.2 The Company currently has more than 125 subsidiaries / step-down subsidiaries incorporated outside India apart from some subsidiaries / step-down subsidiaries incorporated in India.



1.3 The Company has in the current financial year (FY 2018-19) acquired a company incorporated in Delaware, USA by the name Actian Corporation. Actian Corporation has 15 wholly owned subsidiaries / step-down subsidiaries, of which 13 companies are incorporated outside India and 2 companies are incorporated in India.

1.4 In accordance with the laws of the countries of incorporation of Actian Corporation and/or some of its subsidiaries / step-down subsidiaries incorporated outside India, there is no statutory requirement to get the annual financial statements audited.

2. Applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013

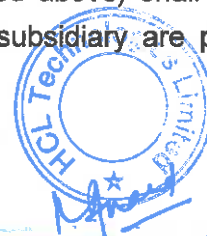
2.1 Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, SEBI amended Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective from April 1, 2019. In accordance with the amended Regulation 46, the Company is required to disseminate on its website, separate audited financial statements of each of its subsidiary in respect of the relevant financial year, at least 21 days prior to the date of the annual general meeting.

2.2 In terms of the provisions of Section 136 (1) of the Companies Act, 2013 ("Act") every listed company having a subsidiary or subsidiaries shall place separate audited accounts in respect of each of its subsidiary on its website.

However, the Ministry of Corporate Affairs (MCA) has granted the below mentioned relaxation to the listed companies in respect of their foreign subsidiaries by amending Section 136 of the Act w.e.f. February 9, 2018.

In terms of the proviso to Section 136 (1) of the Act, a listed entity which has a subsidiary incorporated outside India (herein referred to as foreign subsidiary) -

- a) where such foreign subsidiary is statutorily required to prepare consolidated financial statements under any law of the country of its incorporation, the requirement of Section 136 (1) of the Act (as stated above) shall be met if the consolidated financial statements of such foreign subsidiary are placed on the website of the holding Indian listed company;



- b) where such foreign subsidiary is not required to get its financial statements audited under any law of the country of its incorporation and which does not get such financial statements audited, the holding Indian listed company may place such unaudited financial statements on its website.

3. Action proposed by the Company

3.1 Actian Corporation shall be preparing the audited consolidated financial statements in accordance with the local GAAP of the country of its incorporation. These audited consolidated financial statements shall be placed on the website of the Company at least 21 days prior to the date of the annual general meeting of the Company along with the following -

- the unaudited financial statements of those subsidiaries and step-down subsidiaries of Actian Corporation, incorporated outside India, where there is no statutory requirement to get the financial statements audited as per the local laws of the countries of their incorporation; and
- the audited financial statements of those subsidiaries and step-down subsidiaries of Actian Corporation, incorporated outside India, where is a statutory requirement to get the financial statements audited as per the local laws of the countries of their incorporation.

3.2 The aforesaid would ensure due compliance with the requirements of Section 136 (1) of the Act.

4. Request for Guidance

4.1 In terms of clause 5(ii) of the Scheme, we hereby request you to kindly issue an interpretative letter with your guidance on –

- Whether the proposed action by the Company, as stated in 3.1 above would meet the compliance requirements of Regulation 46 of the Listing Regulations.



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- Whether there is anything else that the Company is required to do to comply with the requirements of Regulation 46 of the Listing Regulations in regard to Actian Corporation and/or the subsidiaries / step-down subsidiaries of Actian Corporation.

- Whether the Company can follow similar guidance that would be provided by you in respect of the above, for any subsidiaries / step-down subsidiaries incorporated outside India, that may be acquired in the future.

5. Compliance with the Scheme

- 5.1 We have enclosed along with the application, a cheque bearing reference no. 838516 dated March 15, 2019 drawn on Citibank for INR 25,000/- (Rupees Twenty-Five Thousand), in favour of Securities and Exchange Board of India, towards the fee specified in the Scheme.
- 5.2 All material facts and legal provisions, which, in our opinion, are relevant for the purposes of determination of this request, have been stated herein.

We would be pleased to furnish any additional information as may be required in support of this letter for seeking an informal guidance.

Yours faithfully,

For HCL Technologies Limited


Manish Anand
Company Secretary

