

Policy for determining material subsidiary

Ver. 1.2 (January 20, 2023)

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Record of Review

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1.2	Corporate Secretarial	Company Secretary and Compliance Officer	Audit Committee	January 20, 2023

LTIMINDTREE LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

Background & Objectives

The objective of this policy is to determine the material subsidiaries of LTIMindtree Limited (Formerly Larsen & Toubro Infotech Limited) in accordance with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') (including amendments thereof).

Definitions

"Company" means 'LTIMindtree Limited'.

"Policy" means the 'Policy on Material Subsidiary'.

"Subsidiary" or "Subsidiaries" means Subsidiary or Subsidiaries of LTIMindtree Limited in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder ('Act').

"Net Worth" means net worth as defined under the provisions of the Act.

All the terms not defined herein shall have the meanings assigned to them as per the provisions of the Act and the SEBI Listing Regulations.

Policy

A subsidiary shall be considered as material subsidiary, if the income or net worth of the subsidiary exceeds 10% of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

Compliance

1. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

For this purpose, material subsidiary shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

2. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. Minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.

4. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

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 the immediately preceding accounting year.

5. The Company shall not dispose of shares in its material subsidiary resulting in reduction of its 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.
6. The Company shall obtain prior approval of shareholders by way of special resolution for sale, disposal and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless 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.
7. Every material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report, given by a company secretary in practice, in such form as specified, with the annual report of the Company.

Review and Amendments

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

Unless required under the Act or Listing Regulations or other applicable regulations to be approved by the Board or Committee, all statutory amendments in the Act or Listing Regulations or other applicable regulations, shall be effective and binding even if such amendments are not incorporated in the Policy.

For administrative convenience, any change in the Policy shall be made by the Company Secretary in consultation with 'Chief Executive officer & Managing Director' or 'Chief Financial Officer'. Apart from administrative convenience and any statutory amendments, any material change that substantially impacts the implementation of the existing Policy shall be approved by the Board.