List of details/ documents required for grant of approval under Clause 24(f) of the Listing Agreement (Demerger - Others)

Sr. No.	List of Documents/ details to be submitted	Yes/No/Not Applicable
1	Certified true copy of Scheme/ Petition proposed to be filed before any Court or Tribunal under sections 391, 394 and 101 of the Companies Act, 1956.	Yes, Annexure- 1
2	Valuation Report from Independent Chartered Accountant, if any (Certified true copy).	N.A.
3	Report from the Audit Committee recommending the Draft Scheme, taking into consideration, inter alia, the Valuation Report issued by Independent Chartered Accountant.	Yes, Annexure- 2
4	Fairness opinion by merchant banker, if any.	Yes, Annexure- 3
5	Shareholding pattern in accordance with Clause 35 of the Listing agreement - for pre and post scheme of arrangement of the Companies.	Yes, Annexure- 4
6	Audited financials of last 3 years	Yes, Annexure- 5
7	Certificate from Auditors to the effect that the accounting treatment contained in the scheme is in compliance with all the applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013*.	This is being provided separately
8	Certificate from Statutory Auditors / Practicing Chartered Accountants / Practicing Company Secretary for Networth (Networth = Equity Share Capital + Free Reserves** - Miscellaneous Expenditure written off, along with the detailed working) of the Company pre and post Scheme under Sections 101, 391 and 394 of the Companies Act, 1956.	Yes, Annexure- 6
9	In case of scheme of demerger of a listed company a Certificate from Statutory Auditors / Practising Chartered Accountants / Practicing Company Secretary certifying Percentage turnover and profitability of the division, being hived off vis-à-vis the other divisions of the company.	Yes, Annexure- 7
10	Board resolution approving the scheme of arrangement.	Yes, Annexure- 8
11	Confirmation from the Company regarding the following:	Yes, Annexure- 9
a)	Undertaking in accordance with Clause 24(g) of Listing Agreement i.e. scheme of amalgamation / arrangement to be presented to any Court or Tribunal does not in any way violate, override or circumscribe the provisions of securities laws or the stock exchange requirements.	Yes
b)	Undertaking that the Company is in Compliance with Clause 49 of the Listing Agreement.	Yes
c)	Rational behind the scheme of arrangement.	Yes
d)	Brief details about the business of the Companies.	Yes

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12	Website link of the Company where the draft Scheme and other required documents shall be uploaded (Also submit soft copy of the documents)	www.hcltech.com
13	Complaints Report as per Annexure I (To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme).	Noted for future compliance

Date	**30-Oct-15**
Place	**Noida (U.P.)**
Authorised Signatory and Stamp of the company	MAnand
Name	**Manish Anad**
Designation	**Company Secretary**

* Provided that in case of Companies where the respective sectoral regulatory authorities have prescribed norms for accounting treatment of items in the financial statements contained in the scheme, the requirements of the regulatory authorities shall prevail.

** Free Reserves to be considered as per Section 2(43) of the Companies Act, 2013.

MAnand

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Annexure-1

SCHEME OF ARRANGEMENT

BETWEEN

HCL TECHNOLOGIES LIMITED

AND

HCL COMNET LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This scheme of arrangement is presented under Sections 391 to 394 of the Companies Act, 1956 read with applicable provisions of the Companies Act, 2013, to the extent made effective, and the rules made thereunder for the transfer and vesting of the ISIB Undertaking (as *defined herein after*) of HCL Technologies Limited (**"Transferor Company"**) into HCL Comnet Limited (**"Transferee Company"**), a wholly-owned subsidiary of the Transferor Company as a going concern.

1. BACKGROUND

1.1. The Transferor Company was originally incorporated on November 12, 1991 under the name and style of HCL Overseas Limited under the provisions of the Act *(as defined herein after)*. Subsequently, in the year 1994, the name of the Transferor Company was changed to HCL Consulting Limited. Thereafter, the name of the Transferor Company was again changed to its present name i.e. HCL Technologies Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on October 6, 1999. The registered office of the Transferor Company is situated in the State of Delhi. Currently, the Transferor Company primarily derives its revenue from an integrated portfolio of services including Software-led IT solutions, Remote Infrastructure Management, Engineering, R&D Services and Business Process Outsourcing Services. The Transferor Company provides holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare & Life Sciences. The equity shares of the Transferor Company are listed on BSE Limited (**"BSE"**) and National Stock Exchange of India Ltd (**"NSE"**).

1.2. The Transferee Company is an unlisted public limited company incorporated on August 8, 2001 under the provisions of the Act *(as defined herein after)* having its registered office situated in the State of Delhi. The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Transferee Company is currently engaged in providing technology services to customers in India. The Transferee Company provides data communication services which includes trading of satellite and non-satellite based communication equipment such as VSAT,

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Routers, Switches, Modems etc., application operation services and services related to installation and maintenance of networking equipment. The Transferee Company provides its services across Defence, Financial Services, Government, Telecom, PSU's, Energy and utilities.

2. RATIONALE AND BENEFITS

The Boards of Directors *(as defined herein after)* of the Companies *(as defined herein after)* are of the view that proposed transfer and vesting of the ISIB Undertaking (as *defined herein after*) belonging to the Transferor Company into the Transferee Company as a going concern would, *inter-alia,* have the following benefits:

a) simplified and transparent business structure of the Transferor Company and the Transferee Company;
b) more focussed management of the Transferor Company and the Transferee Company;
c) greater visibility in the performance of the individual businesses;
d) higher degree of independence as well as accountability with autonomy for each of the business segment;
e) will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;
f) will also provide for independent collaboration and expansion without committing the existing organization in its entirety; and

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g) will create a platform to enhance financial flexibility to pursue the next stage of growth.

3. PARTS OF THE SCHEME

This scheme of arrangement is divided into the following parts:

3.1. **PART I** deals with the definitions and share capital of the Transferor Company and the Transferee Company;

3.2. **PART II** sets out the provisions with respect to transfer and vesting of ISIB undertaking *(as defined herein after)* on going concern basis to the Transferee Company;

3.3. **PART III** deals with general terms and conditions applicable to this scheme of arrangement.

PART I

4. DEFINITIONS

In this scheme of arrangement, unless inconsistent with the meaning or context, the following expressions shall have the following meaning:

4.1. **"Act"** means the Companies Act, 1956 and applicable rules made there under and includes any amendments, statutory re- enactments, and modification thereof from time to time

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and includes the applicable provisions of the Companies Act, 2013, if any, and applicable rules made there under. In a situation where the relevant provisions of the Companies Act, 2013 are notified prior to the Effective Date (as *defined hereinafter*) being achieved, this scheme of arrangement shall be deemed to have been passed under the relevant provisions of Companies Act, 2013 and all references to the Act, sections and rules therein shall be deemed to include a reference to the relevant provisions of the Companies Act, 2013 and the rules made thereunder;

4.2. **"Applicable Law(s)"** means (a) all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, Listing Agreements *(as defined herein after)*, notifications, guidelines or policies of any Relevant Authority *(as defined herein after)*; and (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders or governmental approvals of, or agreements with, any Relevant Authority *(as defined herein after)*, as may be in force from time to time;

4.3. **"Appointed Date"** means July 1, 2015 or such other date as the board of directors of the Transferor Company and the Transferee Company deems fit and proper or such other date as the Hon'ble High Court (*as defined hereinafter*) may direct or such other competent authority, as may be applicable;

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4.4. **"Board of Directors"** or **"Board"** means Board of Directors of the Transferor Company and the Transferee Company and shall also include any duly constituted committee(s) thereof, if any or any person authorized by the Board of Directors;

4.5. **"Companies"** means the Transferor Company and the Transferee Company, referred collectively;

4.6. **"Contract(s)"** shall include all contracts, including but not limited to contracts with the customers (a detailed list of the customer Contracts being executed by the ISIB undertaking is annexed hereto as **Schedule 1**) entered into by the Transferor Company pertaining to the ISIB Undertaking *(as defined hereinafter)* with any Person *(as defined herein after)*, agreements, leases, memoranda of undertakings, memoranda of agreement, guarantees, performance guarantees, arrangements, undertakings, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments or understanding of whatsoever nature, whether written or otherwise, to which the Transferor Company is a party, along with all rights, obligations and liabilities pertaining thereto and any other contracts, if any, exclusively pertaining to ISIB Undertaking *(as defined herein after)*;

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4.7. **"Effective Date"** means the last date of the dates on which all conditions and matters referred to in Clause 17 of this Scheme hereof have been fulfilled. References in this Scheme to "upon coming into effect of this Scheme" or "effectiveness of the Scheme" or "the Scheme becoming effective" shall mean the Effective Date;

4.8. **"High Court" or "Court"** means the High Court of Delhi at New Delhi having jurisdiction in relation to the Companies or such other Court/ bench having jurisdiction over Companies involved in the Scheme, depending on the context and applicability, and the term "High Court" or "Court" shall be interpreted accordingly and shall include National Company Law Tribunal, under the Act, as may be applicable;

4.9. **"India System Integration Business" or "ISIB Business"** means the India business of IT infrastructure management services involving managing customers and IT assets carried on by the Transferor Company;

4.10. **"ISIB Undertaking"** means the ISIB Business of the Transferor company comprising inter-alia, all the assets and liabilities relating thereto, as on the Appointed Date, which shall mean and include (without limitation):

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a. All assets (wherever situated), whether movable or immovable, tangible or intangible, leasehold or freehold, including all land, buildings, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, investments, current assets, loans and advances, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent and loans and advances appearing in the books of accounts of the Transferor company pertaining to or relatable to the ISIB Business.

b. All rights, entitlements, approvals, licenses, registrations, certifications, guarantees, performance guarantees, warranty service entitlements, consents, permissions, brands, logos, engagements, arrangements, municipal permissions, cash balances, financial assets, funds belonging to or proposed to be utilized for the ISIB Business, bank balances, balances with Government, excise department, tax authorities both state and central government bank accounts, security deposits, privileges, recoverable, receivables, advantages, all other rights and benefits, in connection with or relating to the ISIB Business.

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c. All secured and unsecured debts, liabilities present or future (including contingent liabilities), duties, undertakings and obligations pertaining to the ISIB Business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ISIB Business.

d. All existing and future contracts, RFPs, bids, responses to EOI, memorandum of understanding, entitlements, industrial and other licenses, municipal permissions, approvals, consents, tenancies in relation to any joint venture or other arrangement which may be entered into by the Transferor company in respect of business relating or incidental to the ISIB Business.

e. All the past track record relating to the ISIB Business, including without limitation, the profitability, production volumes, experience, credentials (including awards and accolades), certifications, accreditations and market share pertaining to or relating to the ISIB Business.

f. All employees of the Transferor Company employed who are substantially engaged in the ISIB Business as identified by the Board of Directors of the Transferor Company.

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g. All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, label lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ISIB Business.

4.11. **"IT Act"** means the Income Tax Act, 1961, as amended from time to time read with rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force;

4.12. **"Listing Agreement"** means: (a) the listing agreement executed between the Transferor Company and BSE; and (b) listing agreement executed between the Transferor Company and NSE, in each case, as amended from time to time;

4.13. **"Person"** includes any individual, trust, entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise, hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political sub-division thereof, and shall include their respective successors and in case of an individual shall include his/her

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legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

4.14. **"Relevant Authority"** means any regulatory governmental legislative, administrative, local or supervisory body or banking authority or agency or commission, quasi-regulatory agency or body *(including any stock or commodity exchange)*, or board, bureau, judicial or arbitral body having jurisdiction in India or any part thereof, including but not limited to the stamp authorities, Competition Commission of India, Reserve Bank of India, SEBI *(as defined herein after)*, BSE and NSE, along with the authorities before which appeals against the decisions made by any of the foregoing may be brought and shall include the Tax Authority *(as defined herein after)*;

4.15. **"Remaining Business of Transferor Company"** means all undertakings, businesses, activities and operations of the Transferor Company other than the ISIB Business;

4.16. **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

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4.17. **"SEBI Circular"** means Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, each issued by the SEBI, as amended or replaced from time to time;

4.18. **"Scheme" or "the Scheme" or "this Scheme"** means this scheme of arrangement in its present form or with any modifications made under Clause 16 of the Scheme as approved or directed by the High Court or any other appropriate authority;

4.19. **"Tax Authority"** means any revenue, customs, fiscal, governmental, statutory, state, provincial, local governmental or municipal authority, body or Person responsible for taxing a Person;

4.20. **"Transferee Company"** means HCL Comnet Limited, a public limited company incorporated under the provisions of Act, having its registered office situated at 806, Siddharth 96, Nehru Place, New Delhi-110019. The Transferee Company is the wholly-owned subsidiary of the Transferor Company;

4.21. **"Transferor Company"** means HCL Technologies Limited, a public limited company incorporated under the provisions of the Act, having its registered office situated at 806, Siddharth 96, Nehru Place, New Delhi-110019;

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4.22. **Interpretation**

a) In this Scheme, unless the context otherwise requires:

i. words of any gender are deemed to include the other genders;

ii. words using the singular or plural number also include the plural or singular number, respectively;

iii. the terms "hereof', "herein", "hereby", "hereto" and derivative or similar words refer to this entire Scheme or specified clauses, as the case may be;

iv. the term "Clause" refers to the specified clause of this Scheme;

v. references to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; and

vi. the schedules hereto shall form an integral part of this Scheme.

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b) Headings, sub-headings, italics and bold typeface are only for convenience and shall be ignored for the purposes of Interpretation.

5. SHARE CAPITAL

5.1. Share capital of the Transferor Company as on June 30, 2015 is as under:

Authorized Capital	**As at June 30, 2015** (Rs.)
1,500,000,000 Equity Shares of Rs. 2/- each	3,000,000,000
Total	**3,000,000,000**
Issued, Subscribed and Paid-up Capital	
1,405,978,418 Equity Shares of Rs. 2/- each fully paid-up	2,811,956,836
Total	**2,811,956,836**

5.2. There has been an alteration in the share capital structure of the Transferor Company from the date mentioned above up to the date of approval of this Scheme by the Board of Directors of the Transferor Company on account of allotment of 3,42,280 equity shares of Rs. 2/- each against the exercise of stock options

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pursuant to the Employees' Stock Option Plan of the Transferor Company. Accordingly, the Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on the date of approval by the Board of Directors is as under:

Authorized Capital	**As at June 30, 2015** (Rs.)
1,500,000,000 Equity Shares of Rs. 2/- each	3,000,000,000
Total	**3,000,000,000**
Issued, Subscribed and Paid-up Capital	
1,406,320,698 Equity Shares of Rs. 2/- each fully paid-up	2,812,641,396
Total	**2,812,641,396**

5.3. The share capital of the Transferee Company as on June 30, 2015 is as under:

(this space has been intentionally left blank)

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Authorized Capital	As at June 30, 2015 (Rs.)
11,00,000 Equity Shares of Rs. 10 each	11,000,000
Total	**11,000,000**
Issued, Subscribed and Paid-up Capital	
949,900 Equity Shares of Rs. 10 each fully paid-up	9,499,000
Total	**9,499,000**

5.4. There has been no alteration in the share capital structure of Transferee Company from the date mentioned above till the date of approval of this Scheme by the Board of Directors of the Transferee Company.

5.5. It is provided that until this Scheme becomes effective, the Transferor Company and the Transferee Company are free to alter their authorized, issued, subscribed or paid up share capital as required by their respective business requirements, subject to the necessary approvals from their respective Boards and members or any other Person, if required.

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PART-II

TRANSFER AND VESTING OF ISIB UNDERTAKING AS A GOING CONCERN

6. TRANSFER AND VESTING OF ISIB UNDERTAKING

6.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, the ISIB Undertaking belonging to the Transferor Company shall stand transferred and vested into the Transferee Company, as a going concern without any further act, deed, instrument, matter or thing, together with its assets, properties, liabilities, rights, benefits, obligations, privileges and interests therein, subject to existing charges, if any. The transfer of the ISIB Undertaking under this Scheme shall be in compliance with the IT Act.

6.2. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all immovable property(ies), if any, relating to the ISIB Undertaking, including tangible assets, land together with building, plant and machinery and structures standing thereon, if any *(whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise)*, capital work-in-progress and all documents of title, receipts and easements in relation thereto, all rights, covenants, continuing rights, title and interest in connection with the said immovable properties shall, unless otherwise agreed between the Companies, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company in the mode and manner as prescribed in this Scheme on a going concern basis pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the Act so as to become, on and from the Appointed Date, the immovable property(ies) including tangible assets, land together with building, plant and machinery and structures standing thereon, if any, of the Transferee Company. Upon the coming into effect of the Scheme, the title to such immovable properties shall be mutated and transferred by Relevant Authorities, in accordance with terms hereof, in favour of the Transferee Company. It is expressly clarified that in so far any leasehold properties forming part of the ISIB Undertaking, if any, are concerned, the Transferee Company may enter into fresh lease agreements or terminate any lease agreements that are already in existence with any third party.

6.3. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, including in relation to the mode of transfer or vesting, all rights, obligations, benefits, titles, interest and privileges in the movable, tangible and intangible properties, assets including plant, machinery and equipment, vehicles, bank balances, cash and cash

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equivalents, all trade receivables (*whether billed or unbilled*) including but not limited to all loans and advances, whether long-term or short-term, secured or unsecured, recoverable in cash or kind or value to be received including interest accrued thereon, all deposits whether with government or semi government, local authorities or any other institution and bodies, amounts receivables from Central Government/ State Government(s) under any of their scheme/plans, balances recoverable from government authorities, if any, all investments including non- current investments of all kinds either in equity shares of listed or unlisted companies or any other investments, if any, made by the Transferor Company, office equipment's, electrical installations, deferred costs, prepaid expenses, deposits, advance suppliers, employee advances, finance lease receivable, capital advances, offices, inventories including but not limited to computers, software, furniture & fixtures, other current assets, capital work-in-progress, benefits arising of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, intellectual property (*whether registered or unregistered*), if any, pertaining to the ISIB Undertaking, shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company in the mode and manner as prescribed in this scheme on a going concern basis pursuant to the provisions of Section 391 to 394A of the Act and all other applicable provisions of the

Act so as to become, on and from the Appointed Date, the rights, obligations, benefits, titles, interest and privileges of the Transferee Company. It is expressly clarified that all trade receivables due on account of contracts pertaining to the ISIB Business fully executed by the Transferor Company prior to the Appointed Date shall be to the account of the Transferor Company and shall not form part of the ISIB Undertaking and shall not be transferable to the Transferee Company.

6.4. All the assets, as mentioned herein above, that have accrued or which may accrue to the Transferor Company pertaining to the ISIB Undertaking on or after the Appointed Date shall pursuant to the provisions of Section 394 and other applicable provisions of the Act and without any further act, instrument or deed, be transferred to and stand vested in and/or be deemed to have been transferred to and stand vested in and be available to the Transferee Company upon the Scheme becoming effective.

6.5. Upon the Scheme becoming effective, in respect of such of the assets, as mentioned herein above, of the Transferor Company pertaining to the ISIB Undertaking as are movable in nature and are capable of being transferred by manual delivery or transferring possession or by endorsement and/ or delivery shall be transferred as such with the end and intent that the property therein upon such transfer become the property, assets, rights,

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title, obligations, privileges, benefits, interest and authorities of the Transferee Company in pursuance of section 394 and other applicable provisions of the Act without any further act, instrument or deed.

6.6. With effect from the Appointed Date and upon coming to effect of the Scheme:

a) All licenses, contracts, rights, claims, including refund claims lying with any Relevant Authority which may accrue to the Transferor Company pertaining to the ISIB Undertaking, if any, shall, pursuant to the provisions of section 394 and other applicable provisions of the Act, without any further act, instrument or deed, shall stand transferred to and vested in and/ or be deemed to have been transferred to and stand vested in and be available to the Transferee Company. The Transferee Company shall file the relevant intimations, if required, for the record of the Relevant Authority who shall take them on file and record the change of the name pursuant to this Scheme becoming effective.

b) The entire taxes, direct and indirect or any other taxes, including but not limited to prepaid taxes being tax deducted at source (TDS)/advance tax, MAT credits, sales tax, value added tax (VAT) and also self-assessment taxes, if any, paid by the Transferor Company under the IT Act or any other statute, pertaining to the ISIB Business for the period commencing from the Appointed Date, shall be deemed to be the taxes paid by or for the benefit of the Transferee Company and credit for such taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans or orders for such taxes are in the name of the Transferor Company and not in the name of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file with the Relevant Authority the relevant return(s) as required under the IT Act or under Applicable Laws for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further, the Companies shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any relevant year, if so necessitated or consequent to this Scheme, notwithstanding that the time prescribed for such revision may have elapsed.

c) all kinds of intellectual property rights, if any, *(whether or not registered)* with the Relevant Authority concerned or applications submitted at any time on or before the Effective Date by the Transferor Company or by the employees / officers / directors of the Transferor

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Company for the benefit or which may pertain to the ISIB Undertaking, if any, shall stand transferred to and vested along with all the undertakings in the name of the Transferee Company without any further act, instrument or deed.

d) The past track record of the Transferor company relating to the ISIB Business, including without limitation, the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

e) Upon the Scheme becoming effective, all bids/tenders made or applied for by the Transferor Company pertaining to the ISIB Business before any third party or any other Person shall be assigned/transferred/novated to the Transferee Company by the Transferor Company without requiring any further act, instrument or deed and the same shall not require any approval from any third party or any other Person. The relevant intimation(s) of the aforesaid shall be given by the Companies, as may be required, to any third party or any other Person before whom the bid/tender is made or applied for. It is expressly clarified that until the time the said bids/tenders are not assigned/transferred/novated, the Transferor Company, if so authorized by the applicable laws, bye-laws, regulations, rules etc. for the time being in force of any third party or any other Person before whom the bid is made, shall execute the job for and behalf of the Transferee Company and shall on regular basis transfer all properties, rights and obligations thereof to the Transferee Company.

f) Upon the Scheme becoming effective and until the time the contracts and licenses pertaining to the ISIB Undertaking are not transferred *(either by way of novation or assignment or endorsed or otherwise)* by the Relevant Authority in the name of the Transferee Company, the Transferor Company shall carry on the business pertaining to the ISIB Undertaking on behalf of and in trust for the Transferee Company. It is expressly clarified that any income, privilege, obligations, rights, entitlements, losses, benefits, expenditure etc., occurring after the Effective Date and until the time the Contracts and licenses pertaining to the ISIB Undertaking are not transferred in favour of the Transferee Company, shall on regular basis be passed on by the Transferor Company to the Transferee Company.

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g) Upon the Scheme becoming effective and until such time the names of the bank accounts of the Transferor Company in relation to the ISIB Undertaking, if any, are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in relation to the ISIB Undertaking, in so far as may be necessary. The banks shall continue to honour the cheques, other negotiable instruments, payment orders and instructions issued/ signed by the Transferor Company or signed by the existing signatories of the Transferor Company for payment after the Effective Date. Similarly, all cheques and other negotiable instruments received in the name of the Transferor Company in relation to the ISIB Undertaking, w.e.f. the Effective Date and until such time shall be for and on account of the Transferee Company and accordingly to be accepted by the bankers of the Transferor Company and credited to the account of the Transferee Company.

6.7. Upon coming into effect of the Scheme and with effect from the Appointed Date:

a) All secured or unsecured debts, liabilities including but not limited to deferred tax liabilities, contingent liabilities, current liabilities, non-current liabilities,

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statutory payables, TDS payable, expenses payable and other current liabilities or other advances received, whether disclosed or undisclosed, whether accounted for in the books of accounts or not, duties, taxes, statutory expenses, short-term and long-term provisions and obligations, if any, of the Transferor Company along with any charge, encumbrance, lien or security thereon, if any, in relation to the ISIB Undertaking shall also be vested or deemed to be vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 and other applicable provisions of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company. Further, it shall not be necessary to obtain separate consent of any Person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

b) Where any of the debts, liabilities, obligations and duties of the Transferor Company pertaining to the ISIB Undertaking on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

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c) All loans raised and utilized and all debts whether by way of debentures, bank loan or otherwise, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to the ISIB Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394 and other applicable provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company.

6.8. Upon the Scheme becoming effective subject to Applicable Laws, all license(s), permission(s), approval(s), registration(s) with any Relevant Authority, wherever applicable, and/or consents held by the Transferor Company pertaining to the ISIB Undertaking, and not surrendered, shall stand vested in the Transferee Company, with effect from the Appointed Date, without any further act, deed, instrument, matter or thing and shall be appropriately registered with the concerned Relevant

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Authority in favour of the Transferee Company. The benefits of all license(s), permission(s), approval(s), registration(s) with any Relevant Authority pertaining to the ISIB Undertaking, wherever applicable to the Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme becoming effective. However, if any license(s), permission(s), approval(s), registration(s) with any Regulatory Authority, wherever applicable, and/or consents held by the Transferor Company pertaining to ISIB Undertaking that are not required by the Transferee Company, will, if required, under Applicable Laws, be cancelled or surrendered by the Transferor Company.

6.9. It is expressly clarified that in case any question arises as to whether any particular asset or liability, as mentioned above and/or employee pertains or does not pertain to the ISIB Undertaking or even pertains to ISIB Business but whether or not forms part of the ISIB Undertaking, the same shall be decided by mutual agreement between the Board of Directors of the Companies or any other person authorised by the Board in that behalf.

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7. CONSIDERATION

7.1. Subject to the terms and conditions of this Scheme and as may be determined by the Board of Directors of the Companies, in consideration for the transfer and vesting of the ISIB Undertaking on going concern basis by the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall be required to pay consideration of INR 132 Crores (Indian National Rupees One Hundred Thirty Two Crores).

7.2. The Consideration as stated above in clause 7.1 of the Scheme shall upon the Scheme becoming effective, be paid in cash unless otherwise agreed to be discharged in any other mode or combination of one or more modes by the Board of Directors of the Companies.

8. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

8.1. The Transferor Company shall carry on the ISIB Business and other incidental matters with due prudence in the same manner as carried before and shall not without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the ISIB Undertaking or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme.

Notwithstanding the above, the Transferor Company will not, in any event, transfer or otherwise dispose of or create any form of encumbrance in any manner over the shares held by the Transferor Company in the Transferee Company, without prior approval of the Transferee Company in this regard.

8.2. Save and except as otherwise specified in this Scheme, any income or profit accruing or arising to the Transferor Company or expenditure or losses incurred or suffered by the Transferor Company pertaining to the ISIB Undertaking from the Appointed Date and till the Effective Date shall for all purposes be treated as the income or profits or losses or expenditures, as the case may be, of the Transferee Company.

8.3. All estate(s), property(ies) asset(s), benefit(s), privilege(s), right(s), obligation(s), title(s), interest(s) and authority(ies), if any, pertaining to the ISIB Undertaking, accrued to and/or acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall have been or deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall upon the coming into effect of this Scheme, pursuant to the provisions of section 394 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and/or vested in or be deemed to have been transferred to and/or vested in

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the Transferee Company to that extent and shall become the estate(s), asset(s), property(ies), obligation(s), right(s), title(s), interest(s) and authority(ies) of the Transferee Company.

9. EMPLOYEES

9.1. Upon the Scheme becoming effective, all staff, workmen and employees engaged in ISIB Business of the Transferor Company on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferor Company shall not be less favourable than those applicable to them in the Transferor Company on the Effective Date.

9.2. It is expressly stated that the Transferee Company agrees that the services of all such employees with the Transferor Company up to the Effective Date shall be taken into account for the purposes of all retirement benefits to which they may be eligible in the Transferor Company on the Effective Date. Further, it is expressly clarified that all the employees so transferred pursuant to the Scheme becoming effective and to whom employees' stock options (**"ESOPs"**) pertaining to equity shares of the Transferor Company have been vested shall continue to be eligible to exercise the rights vested with them in respect of the ESOPs.

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9.3. It is expressly clarified that upon the Scheme becoming effective, all employees of Transferor Company who have been transferred with the ISIB Business to the Transferee Company will contribute to the Provident Fund, or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen of the Transferee Company by the Transferee Company. All existing amounts, whether paid or outstanding, under the Provident Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen of the Transferor Company, pertaining to the employees being transferred with the ISIB Business to the Transferee Company, shall at an appropriate stage be transferred to the relevant funds of Transferee Company subject to the required approval/intimation to the Provident Fund Authorities and/or other appropriate authorities, if any and until such time, shall be maintained separately by the Transferor Company. The Board of Directors of the Transferee Company and the Trustees of the respective Trusts of the Transferee Company shall be entitled to take all steps as may be prudently necessary to implement the above. Further, the services of the employees of the Transferor Company transferred with the ISIB Business to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid schemes/fund.

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9.4. It is expressly provided that, upon the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company.

9.5. The Transferee Company will file the relevant intimations with the Relevant Authorities concerned, for actions arising out of Clause 9.3, who shall take the same on record and endorse the name of the Transferee Company in place of Transferor Company.

10. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

10.1. Save as otherwise provided in this Scheme, all contracts, bids submitted, deeds, understandings, guarantees, resolutions, instruments and writings and benefits of whatsoever nature, if any, pertaining to the ISIB Undertaking, to which the

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Transferor Company is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

11. LEGAL PROCEEDINGS

11.1. If any suit, appeal, litigation or other proceedings of whatsoever nature by or against the Transferor Company in relation to the ISIB Undertaking is pending before the Relevant Authority or elsewhere, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the ISIB Undertaking or anything contained in this Scheme, but the said suit, appeal, litigation or other legal proceedings, as the case may be, be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme has not been made. In a situation where said suit, appeal, litigation or other legal proceedings referred to herein require the Transferor Company and/or the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as party to such proceedings.

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11.2. On and from the Effective Date, the Transferee Company may, if required, initiate any legal proceedings in relation to ISIB Undertaking in its own name, whether pertaining to the period prior to the Appointed Date or thereafter.

12. ACCOUNTING TREATMENT

12.1. **Accounting treatment in the books of the Transferor Company:**

Upon the Scheme becoming effective, the Transferor Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

a) The assets and liabilities of the Transferor Company shall stand reduced to the extent of value of the ISIB Undertaking transferred to the Transferee Company.

b) The Transferor Company shall record the amount of Consideration as "Receivable from the Transferee Company" in its books of accounts. On receipt of Consideration from the Transferee Company, either by way of cash or in any other mode as the Board of the Companies mutually agree, the Consideration so received shall be appropriately recorded in the books of account of the Transferor Company as per the prevalent accounting standards as applicable to the Transferor Company.

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12.2. **Accounting treatment in the books of the Transferee Company:**

Upon the Scheme becoming effective, the Transferee Company shall account for the Scheme and its effects in its books of account with effect from the Appointed Date as under:

a) All the assets and liabilities related to the ISIB Undertaking as appearing in the books of accounts of the Transferor Company as on the Appointed Date shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company, as per the applicable accounting standards and as determined by the Board;

b) The excess or deficit in the value of assets so recorded, if any, by the Transferee Company over: (a) the liabilities of the ISIB Undertaking so recorded by the Transferee Company or vice versa and (b) the consideration as detailed in Clause 7.1 of this Scheme paid by the Transferee Company to the Transferor Company shall be appropriated in the books of the Transferee Company either as capital reserve or goodwill, if required.

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13. SAVING OF CONCLUDED TRANSACTIONS

13.1. The transfer and vesting of the asset(s), liability(ies), rights, interests, obligations, privileges, benefits, reserves, provisions, and obligation(s) relating to the ISIB Undertaking of the Transferor Company, as described under this Scheme and the continuance of the proceedings by or against the Transferee Company, under Clause 11 of this Scheme above shall not in any way affect any transaction(s) or proceeding(s) in relation to the ISIB Undertaking already completed by the Transferor Company, on and after the Appointed Date to the end and intent that the Transferee Company accepts all acts, deeds, matters and things done and executed by and/ or on behalf of the ISIB Undertaking, as acts, deeds and things done and executed by and on behalf of the Transferee Company.

14. REMAINING BUSINESS TO CONTINUE WITH TRANSFEROR COMPANY

14.1. The Remaining Business and all assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

14.2. All legal, taxation or other proceedings whether civil or criminal by or against the Transferor Company under any statute or Applicable Law, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (*including those*

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relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company after the Effective Date. The Transferee Company shall not in any event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company, which may relate to the Remaining Business.

14.3. If proceedings are taken against the Transferee Company in respect of the matters referred to under clause 14.2 above, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.

14.4. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

(b) all profits accruing to the Transferor Company thereon or losses arising or incurred by it *(including the effect of taxes, if any, thereon)* relating to the Remaining Business shall,

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for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company; and

(c) All assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

PART III
GENERAL TERMS AND CONDITIONS

15. APPLICATION TO HIGH COURT

15.1. The Transferor Company and the Transferee Company shall file necessary applications / petitions before the High Court under section 391 to 394 of the Act and other applicable provisions, if any under the Act or Applicable Laws, for the sanction of this Scheme.

16. MODIFICATIONS/AMENDMENTS TO THE SCHEME

16.1. The Transferor Company and the Transferee Company by their respective Board, may assent to/ make and/or consent to any modifications/ amendments to this Scheme or to any conditions or limitations that the High Court and/or any other Relevant Authority or Person under any Applicable Law(s) may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by them. The Companies by their respective Board's be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of Relevant Authority or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

16.2. It is expressly clarified that the term Relevant Authority, under Clause 16.1 above, save as otherwise provided in this Scheme, shall specifically include BSE and NSE with which the Transferor Company shall file a copy of this Scheme along with other documents as specified under the Listing Agreement.

16.3. If any part of this Scheme is considered invalid, ruled illegal by any court of a competent jurisdiction or Relevant Authority, or unenforceable under present or future law(s), then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be given effect, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective members or creditors, in which case the Scheme will be modified to such extent, as will best preserve for them the benefits and obligations of the Scheme, including but not limited to such part.

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17. CONDITIONALITY OF THE SCHEME

17.1. The Scheme is and shall be conditional upon and subject to:

a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors and/or any class thereof of the Transferor Company and the Transferee Company as prescribed under the Act, Listing Agreement and/or SEBI Circulars or as may be directed by the High Court or any other Relevant Authority as may be applicable except to the extent as may be waived by the Court and/or Relevant Authority as may be applicable.

b) The approval of the public shareholders of the Transferor Company in accordance with the provisions of the SEBI Circulars issued in this behalf, if required.

c) The sanction of this Scheme by the High Court under Section 391 to 394 and other applicable provisions of the Act.

d) Certified copy of the order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana by the Companies.

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e) The requisite(s), consent(s), approval(s) or permission(s) of Stock Exchanges, if any, which in terms of the SEBI Circulars or Listing Agreement may be necessary for the implementation of this Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVALS

18.1. In the event any of the said sanctions and approvals referred to in Clause 17 of this Scheme above not being obtained and/ or the Scheme not being sanctioned by the High Court or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated herein under or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

19. COSTS, CHARGES AND EXPENSES

19.1. All costs, charges, taxes including duties, levies and other expenses, if any *(save as expressly otherwise agreed)* arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by the Transferee Company. It is

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expressly clarified that wherever the chargeability of duties, taxes etc. are dependent upon the order of the High Court, being instrument in nature of conveyance, then in that case, the order of the High Court shall be considered as the principal instrument, being finally executed, for the purposes of payments of duties, fees, cess, taxes etc., if any, and that the Transferee Company shall be liable to pay all such duties, fees, cess, taxes etc., if any, in this regard.

Schedule –I

S. No.	Customer Name	PO/ Agreement Reference
1	Assam Police Housing Corporation Ltd	Additional order vide LOI CID XII/SCRV(COMP)/CCTNS/7408/PT-II/19 dated 10/02/2012
2	Assam Police Housing Corporation Ltd	Agreement dated 21st Mar'2012 + Additional Orders
3	Axis Bank Ltd	AXISIT/ 15-16/00116 dated 7th May'15
4	Axis Bank Ltd	Agreement dated 11th Dec'14
5	Bharat Electronics Ltd	License PO - BEPO/C4/4900199288 dated 23-12-2014
6	Bharat Electronics Ltd	Services PO - BEPO/S74/4800019715 dated 23-12-2014
7	Centre for Railway information Systems	PO- 2015/CRIS/1068/1113499 dated 27-04-2015 (COA)
8	Centre for Railway information Systems	2014/cris/1113424 dated 31.10.2014 (MDAS)
9	Centre for Railway information Systems	2014/cris/1113432 dated 26.11.2014 (TIBCO)
10	Comviva Technologies Ltd	28197 dated 31-5-2015 (PO end date 30-sep-2015)
11	Container Corporation of India Ltd	CON/IT/1221/14/46 dated 13/03/2015
12	Container Corporation of India Ltd	CON/IT/1199/13/29 dated 28/10/13
13	Container Corporation of India Ltd	CON/IT/1219/14/44 dated 03/02/15
14	Container Corporation of India Ltd	CON/IT/1195/12/12 dated 08/06/12
15	Container Corporation of India Ltd	CON/IT/1217/14/20 dated 18/07/14
16	Container Corporation of India Ltd	CON/IT/1220/14/37 dated 15/12/14
17	Dena Bank	HO/ITD/0350/2015 dated 18.06.2015
18	Dakshin Haryana Bijli Vitran Nigam Ltd	Agreement dated 23/11/12 + Additional orders/ CRs
19	Dakshinanchal Vidyut Vitran Nigam Ltd	Agreement dated 22/02/2010 + Additional Orders/ CR
20	Dedicated Freight Corridor Corporation of India Ltd	DFCCIL/IT/SI/2011 dated 29/03/12 + Additional Orders/ CRs
21	Electronics Corporation of India Ltd	H-3334/39-J/0202 dated 06-01-2015
22	Export Credit Guarantee Corporation of India Ltd	Agreement dated 30/06/2010 + Additional Orders/ CRs
23	GAIL (India) Ltd	W/O GAIL/NOID/14140/5800001993/C&P/20054290 dated 19.05.2015
24	Geological Survey of India	1649A/101/8/COS/PUR/AP&MD/26B-2014 dated 12/09/14
25	GVK Biosciences Pvt. Ltd.	CRPHDM15-15190111 dated 16 jun-14
26	HCL Infosystems Ltd	RVPNL - HCL/2005/05 dated 10/09/2005, UID - 7000029625 dated A14/01/2015, Agreement dated 01/04/2010, 28/03/2012
27	HCL Infotech Ltd	BSNL - 7000026353 dated 22/04/2014, 35000481 dated 04/08/2009, 7000012821 dated 24/07/12
28	HDFC Bank Limited	PO/HCL/TECH/009148/2014-15 dated 20-mar-2015 valid till 31-march-16

S.No.	Customer Name	PO/ Agreement Reference
29	HDFC Bank Limited	Agreement dated 23-dec-2010
30	HT Media Ltd	Agreement dated 23/09/2014
31	ICICI Bank Ltd	IT/PO/2014-15/035425 dated 20 feb-2015 (PO end date - 31-jan-16)
32	Indian Bank/ Indian Bank Head Office	Purchase order -1 dated 23-6-2015
33	Indian Railway Catering and Tourism Corporation Ltd	**(APPS & SI)**2012/IRCTC/ERTD/ENHANCED E-TKT SYSTEM/31-M/PO/01 dated 14/11/13
34	ITI Limited	PG484LO15AI dated 30 dec-2014
35	Jamia Millia Islamia University	F.NO. C-67(A)/PICO/RO/JMI/2013 dated 25/06/2013
36	Madhya Pradesh Computerization of Police Society	Agreement dated 27/09/2012 + Additional Orders/ CRs
37	Madhyanchal Vidyut Vitran Nigam Ltd	Ref No. 22/MD/MVVNL/RAPDRP dated 24/02/2010 + Additional Orders/ CRs
38	Mankind Pharma Limited	dated 05/04/2014
39	National Informatics Centre	RC - NIC/TPS/2013/37/RC/J/01 dated 24/03/2015
40	National Informatics Centre	RC - NIC/TPS/2013/37/RC/K/01 dated 24/03/2015
41	National Informatics Centre	RC - NIC/TPS/2013/37/RC/N/01 dated 24/03/2015
42	National Informatics Centre	RC - NIC/TPS/2014/20/RC/01 dated 12/02/2015
43	National Informatics Centre	RC - NIC/TPS/2013/36/RC/B/01 dated 24/03/2015
44	National Informatics Centre	RC - NIC/TPS/2013/36/RC/A/01 dated 24/03/2015
45	National Informatics Centre Services Inc	RC - NIC/TPS/2013/37/RC/J/01 dated 24/03/2015
46	National Informatics Centre Services Inc	RC - NIC/TPS/2013/37/RC/K/01 dated 24/03/2015
47	National Informatics Centre Services Inc	RC - NIC/TPS/2013/37/RC/N/01 dated 24/03/2015
48	National Informatics Centre Services Inc	RC-NIC/TPS/2014/20/RC/01 dated 12/02/2015
49	National Informatics Centre Services Inc	RC-NIC/TPS/2013/36/RC/B/01 dated 24/03/2015
50	National Informatics Centre Services Inc	RC-NIC/TPS/2013/36/RC/A/01 dated 24/03/2015
51	National Insurance Company Limited	Eula Renewal PO dated 25/02/2013
52	National Insurance Company Limited	Agreement dated 21/11/2008
53	National Insurance Company Limited	Agreement dated 24/03/2015
54	Oriental Bank of Commerce	OBC/HO/DIT/IS/245/15-16 dated 16 jun-2015 PO end date (2020)
55	Paschimanchal Vidyut Vitran Nigam Ltd	Agreement dated 23/02/2010 + Additional Orders + CRs
56	Pernod Ricard India Pvt Ltd.	HH/1400237 dated 20-may-2015
57	Power Grid Corporation of India Ltd	CC-CS/173-CC/ERP-1067/3/G1/NOA-1/5230 dated 03/03/2015
58	Power Grid Corporation of India Ltd	1).cc-cs/173-cc/erp-1067/3/GI/CA-I/5230 dated 30.03.2015 2) cc-cs/173-cc/erp-1067/3/GI/CA-II/5231 dated 30.03.2015
59	Purvanchal Vidyut Vitran Nigam Ltd	Ref No. 2150/PUVVNL(V)/R-APDRP/PART-A dated 19/02/2010 + Additional Orders/ CRs
60	RajCOMP Info Services Ltd	F4.3(145)/RISL/TECH/15/11623 dated 12/03/2015
61	RajCOMP Info Services Ltd	F3.3(83)/RISL/PUR/2014/11624 dated 12/03/2015
62	RajCOMP Info Services Ltd	Agreement dated 17/02/2015

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S. No.	Customer Name	PO/ Agreement Reference
63	Reserve Bank of India	DIT.CO.NO. 1633/07.71.011/2014-15 dated 25/03/2015
64	Reserve Bank of India	Agreement dated 24/06/2008
65	SBI General Insurance Company Ltd.	CR order Version 1.0 dated 24/02/2012
66	SBI General Insurance Company Ltd.	Agreement dated 18/03/2010 + Additional Orders + CRs
67	SBI General Insurance Company Ltd.	Agreement dated 09/09/2010
68	SBI General Insurance Company Ltd.	Agreement dated 20/05/2015
69	Shiv Nadar Foundation / Shiv Nadar University	SNU/2015-16/IT/0017 dated 9-04-2015 PO end date 31-10-2015
70	Shiv Nadar Foundation / Shiv Nadar University	SO- SNU/2014-15/IT/607 dated 23-12-2014 (Services effected from 23-dec-2015 for 1 year
71	Tide Water Oil Co.(India) Pvt. Ltd.	PO No 9020000160 dated 19th Dec'14
72	Triveni Engineering and Industries Ltd	dated 23/09/2014
73	Union Bank of India	DIT:MFTP:HW:259 dated March 2015 (PO end date is 3 apr-2016)
74	Union Bank of India	DIT:MFTP:1971 dated 14 may 2015 (PO end date is 23 May-2016)
75	Union Bank of India	DIT:MFTP:HW:254 A dated 27 march 2015 (PO end date is 3 apr-2016)
76	Uttar Haryana Bijli Vitran Nigam Ltd/ CGM PD&C UHBVN (Uttar Haryana)	Work Order No. 503/TED-154/R-APDRP/IT/258 dated 23 nov12
77	Uttar Haryana Bijli Vitran Nigam Ltd/ CGM PD&C UHBVN (Uttar Haryana)	Agreement dated 23/11/12 + Additional Orders/ CRs
78	Uttar Pradesh Power Corporation Limited	LOI No. 1534/DC/PCL/14 dated 30/06/2014
79	Uttar Pradesh Power Corporation Limited	Agreement dated 11/08/2014
80	Vijaya Bank	PO-DIT/PC/116/2014-15 dated 21.01.2015 (Valid for 5 years)
81	Broadcom Technologies Pvt Ltd	6000006394 dated 09/07/2015
82	HT Media Limited	Only Agreement dated 23/09/2014
83	HT Media Limited	Agreement dated 23/09/2014
84	Securities and Exchange Board of India	SEBI/25418/2012 dated 12/11/2012
85	Oxford University Press	OUP/IT/AMC/2014-15/007
86	Sharda University	REF- Estate /PO/SU/09/2011 dated 28/09/2011
87	Bajaj Energy Pvt. Ltd	6800000490 dated 12/08/2011
88	Center for Development of Telematics	Tender No. CDOT/TENDER/2013-14/005 dated 04/10/2013 & PO dated 28/04/2014
89	Defence Research & Development Organisation	DMS/LP/20/MS/II/PC-74(11-12) dated 17/04/12
90	Pricewaterhouse Coopers Private Limited	101208207 dated 29/01/15
91	PwC	PO dated 30/06/2015
92	Unique Identification Authority of India Ltd	F.NO. T-11011/56/2011-TECH dated 29/05/15
93	Cyan Technology Limited	23984 dated 09/09/14
94	Cairn India Limited	7400010844 dated 11/06/2014
95	Engineers India Limited	7708/8530-01/1002/01 dated 11/09/2007

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S. No.	Customer Name	PO/ Agreement Reference
96	SAP India Pvt. Ltd.	5000124325 dated 10/10/2012
97	Midland Credit Management India Pvt	MCMIPL/2013-2014/231 dated 13/01/2013
98	Midland Credit Management India Pvt	MCMIPL/2014-2015/50 dated 02/06/2014
99	Rail Coach Factory	LOA No. IT/86106 VOL-4 dated 17/01/2012
100	Rail Coach Factory	Agreement Ref IT/86106 dated 10.07.2012
101	Sundaram Asset Management Company Ltd	SAM/HCT/068/2014-15 dated 28/01/2015
102	Sundaram Asset Management Company Ltd	Agreement dated 13/02/2015

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Annexure-2

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE AUDIT COMMITTEE OF HCL TECHNOLOGIES LIMITED IN ITS MEETING HELD ON OCTOBER 16, 2015

"RESOLVED That in terms of Section 177 and other relevant provisions of the Companies Act, 2013 and the listing Agreement entered by the Company with the Stock Exchange(s), the approval of the Audit Committee be and is hereby accorded for entering into a related party transaction with HCL Comnet Limited, a wholly owned subsidiary, for transfer of India System Integration Business of the Company on a going concern basis, for a consideration up to Rs.132 crores, through the Scheme of Arrangement under Sections 391-394 of the Companies Act, 1956, to be approved by the Hon'ble High Court of Delhi."

"RESOLVED FURTHER THAT the draft Scheme of Arrangement under the provisions of Sections 391-394 of the Companies Act, 1956 proposed to be entered into between HCL Technologies Limited and HCL Comnet Limited as placed before the Audit Committee be and is hereby approved and the same is recommended for consideration and approval by the Board of Directors of the Company."

Date: October 30, 2015
Place: Noida (U.P.)

For **HCL Technologies Limited**

Manish Anand
Company Secretary

HCL TECHNOLOGIES LIMITED

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Annexure-3

KARVY INVESTMENT BANKING

Wednesday, October 28, 2015

The Board of Directors,

HCL Technologies Limited
806, Sidharth, 96, Nehru Place,
New Delhi-110 019

Dear Sirs,

FAIRNESS OPINION CERTIFICATE ON TRANSFER OF ISIB BUSINESS OF HCL TECHNOLOGIES LIMITED TO HCL COMNET SYSTEM AND SERVICES LIMITED

We, Karvy Investor Services Limited ('***Karvy***' or '***KISL***'), refer to our offer letter no. KISL/IB/HCL/2015-16/035 dated Wednesday, October 28, 2015, to act as an Independent Merchant Banker for furnishing a '**Fairness Opinion**' on the Scheme of Arrangement for transfer of ISIB business of HCL Technologies Limited ("Transferor Company") to HCL Comnet System and Services Limited ("Transferee Company") in a transfer of undertaking transaction (the "Scheme"), to comply with the listing agreement of the stock exchanges.

The ISIB Business of HCL Technologies Limited refers to the 'India System Integration Business', which is the India business of IT infrastructure management services involving managing customers and IT assets.

We have been given to understand that, the proposed Scheme is subject to shareholder and regulatory approvals. The scheme is conceived to provide the following benefits:

a) simplified and transparent business structure of the Transferor Company and the Transferee Company;
b) more focused management of the Transferor Company and the Transferee Company;
c) greater visibility in the performance of the individual businesses;
d) higher degree of independence as well as accountability with autonomy for each of the business segment;
e) will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;
f) will also provide for independent collaboration and expansion without committing the existing organization in its entirety; and
g) will create a platform to enhance financial flexibility to pursue the next stage of growth.

CERTIFIED TRUE COPY
For HCL TECHNOLOGIES LIMITED
MANISH ANAND
Company Secretary

KARVY INVESTOR SERVICES LIMITED

Karvy Investor Services Limited
Registered Office: Karvy House, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034.
T: +91 40 2331 2454/2342 8774 | F: +91 40 2331 1968/2337 4714
e-mail: cmg@karvy.com/igmbd@karvy.com | www.karvy.com

The transfer of undertaking is proposed at a cash consideration of Rs. 132 Crores as decided by the Board of Directors of the respective companies.

We refer to the above information, the Scheme document, financials of the companies, the information and the explanations submitted to us by the management of both the companies. We further refer to the fact that, the Transferee Company is a wholly owned subsidiary of the Transferor Company and no shares are to be issued as consideration for the proposed transfer. Hence, the valuation of the Transferor and Transferee Company have not been undertaken by an independent valuer in line with vide SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013.

Based on the above information, material, data and the Scheme made available to us, *to the best of our knowledge and belief*, the transfer proposed as per the Scheme is **Fair.**

This fairness opinion is furnished solely for the use of the Transferor and Transferee Company to comply with clause 24 of the listing agreement of the stock exchange(s) and should not be used for any other purpose without our prior written consent.

Thanking you,

Yours faithfully,

For and on behalf of
Karvy Investor Services Limited

Rohan Menon
Senior Manager

KARVY INVESTOR SERVICES LIMITED

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For HCL TECHNOLOGIES LIMITED

MANISH ANAND
Company Secretary

Annexure-4

(I)(a) Statement Showing Shareholding Pattern

(Pre-Scheme of Arrangement)

Name of the Company : HCL Technologies Limited				
Scrip Code : BSE - 532281; NSE - HCLTECH		Name of the Scrip, Class of Security : Equity		
Quarter Ended: June 30, 2015				
Partly paid-up shares:-		**No. of partly paid-up shares**	**As a % of total no. of partly paid-up shares**	**As a % of total no. of shares of the company**
	Held by promoter/ promoters's group	Nil	-	-
	Held by public	Nil	-	-
	Total	**Nil**	-	-
Outstanding convertible securities:-		**No. of outstanding securities**	**As a % of total no. of outstanding convertible securities**	**As a % of total no. of shares of the company, assuming full conversion of the convertible securities**
	Held by promoter/ promoters's group	Nil	-	-
	Held by public	Nil	-	-
	Total	**Nil**	-	-
Warrants:-		**No. of warrants**	**As a % of total no. of warrants**	**As a % of total no. of shares of the company, assuming full conversion of the convertible warrants**
	Held by promoter/ promoters's group	Nil	-	-
	Held by public	Nil	-	-
	Total	**Nil**	-	-
Total paid-up capital of the company assuming full conversion of warrants and convertible securigties		Nil	-	-
		Nil	-	-
		Nil	-	-

Category code (I)	Category of Shareholder (II)	Number of Share-holders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX)= VIII/IV*100
(A)	**Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	2	612,622,144	612,622,144	43.57%	43.57%	Nil	Nil
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others (Specify)						-	-
(e-i)	Directors & their Relatives	3	788	788	0.00%	0.00%	Nil	Nil
(e-ii)	Trust **	1	80	80	0.00%	0.00%	Nil	Nil
	Sub Total(A)(1)	6	**612,623,012**	**612,623,012**	**43.57%**	**43.57%**	**Nil**	**Nil**
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	1	239,097,816	239,097,816	17.01%	17.01%	Nil	Nil
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Others(Specify)							
	Sub Total(A)(2)	1	**239,097,816**	**239,097,816**	**17.01%**	**17.01%**	**Nil**	**Nil**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	**851,720,828**	**851,720,828**	**60.58%**	**60.58%**	**Nil**	**Nil**

HCL TECHNOLOGIES LIMITED

(B)	**Public shareholding**						N.A.	N.A.
1	**Institutions**							
(a)	Mutual Funds/ UTI	305	48,799,184	48,797,020	3.47%	3.47%	-	-
(b)	Financial Institutions/ Banks	23	777,941	777,145	0.06%	0.06%	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	30	14,036,744	14,036,744	1.00%	1.00%	-	-
(f)	Foreign Institutional Investors	908	406,713,190	406,712,390	28.93%	28.93%	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-		
(I)	Any Other (specify)							
(I-i)	Foreign Banks	3	1,200	1,200	0.00%	0.00%	-	-
	Sub-Total (B)(1)	**1,269**	**470,328,259**	**470,324,499**	**33.45%**	**33.45%**	-	-
B 2	**Non-institutions**						N.A.	N.A.
(a)	Bodies Corporate	1,421	33,718,568	33,711,548	2.40%	2.40%	-	-
(b)	Individuals							-
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	117,893	33,847,063	33,168,464	2.41%	2.41%	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	67	7,191,884	7,191,884	0.51%	0.51%	-	-
(c)	Qualified Foreign Investor	-	-	-	0.00%	0.00%		
(d)	Any Other (specify)							-
(d-i)	Trusts	36	1,337,122	1,337,122	0.10%	0.10%	-	-
(d-ii)	Foreign Nationals	12	74,767	74,767	0.01%	0.01%	-	-
(d-iii)	Non-Resident Indians	3,194	5,888,415	5,858,975	0.42%	0.42%	-	-
(d-iv)	Overseas Corporate Bodies	9	18,124	17,244	0.00%	0.00%	-	-
(d-v)	Clearing Members	465	1,364,123	1,364,123	0.10%	0.10%	-	-
(d-vi)	Hindu Undivided Families	1,804	489,265	489,265	0.03%	0.03%	-	-
	Sub-Total (B)(2)	**124,901**	**83,929,331**	**83,213,392**	**5.97%**	**5.97%**	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**126,170**	**554,257,590**	**553,537,891**	**39.42%**	**39.42%**	**N.A.**	**N.A.**
	TOTAL (A)+(B)	**126,177**	**1,405,978,418**	**1,405,258,719**	**100.00%**	**100.00%**	**Nil**	**Nil**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued #**	-	-	-	-	-	**N.A.**	**N.A.**
i.	Promoter and Promoter group	-	-	-	-	-		
ii.	Public	-	-	-	-	-		
	GRAND TOTAL (A)+(B)+(C)	**126,177**	**1,405,978,418**	**1,405,258,719**	**100.00%**	**100.00%**	**Nil**	**Nil**

The Company has not issued any shares to the custodians against which Depository Receipts have been issued.

Anand

HCL TECHNOLOGIES LIMITED

(I)(b) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"**

Sr. No. (I)	Name of the shareholder (II)	Details of Shares held		Encumbered Shares			Details of warrants		Details of convertible securities		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital (XII)	
		Number (III)	As a % of grand Total (A)+(B)+(C) (IV)	Number (V)	As a percentage (VI) = (V)/(III)*100	As a % of grand Total (A)+(B)+(C) of sub-clause (I)(a) (VII)	Number of warrants held (VII)	As a % of total number of warrants of the same class (IX)	Number of convertible securities held (X)	As a % of total number of convertible securites of the same class (XI)		
1	Vama Sundari Investments (Delhi) Pvt. Ltd.	600,097,024	42.68%	-			-		-		-	
2	HCL Corporation Private Limied	12,525,120	0.89%									
3	HCL Holdings Private Limited *	239,097,816	17.01%	-			-		-		-	
4	Mr. Shiv Nadar	368	0.00%	-			-		-		-	
5	Ms. Kiran Nadar	72	0.00%	-			-		-		-	
6	Ms. Roshni Nadar Malhotra	348	0.00%	-			-		-		-	
7	SSN Trust **	80	0.00%									
	TOTAL	851,720,828	60.58%	-								

* This is an Overseas Corporate Body.

** These are public charitable trusts in which promoter does not hold any beneficial interest

(I)(c) (i) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital	
				Number of warrants held	As a % of total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securites of the same class		
	Nil								
	TOTAL	-							

(I)(c)(ii) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the Company**

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert(PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants		Details of convertible		Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital	
				Number of warrants	As a % of total number of warrants of the same class	Number of convertible securities held	% w.r.t. total number of convertible securites of the same class		
	Nil	-		-		-		-	
	TOTAL	-							

(I)(d) **Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Promoter/ Promoter Group/ Public
	Nil			
	TOTAL	0	0.00	0.00

HCL TECHNOLOGIES LIMITED

(II)(a) **Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
Not Applicable				
TOTAL		0	0	0.00

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares held by 'promoter/ promoter group' are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
Not Applicable				
TOTAL			0	0.00

(III)(a) **Statement showing the voting pattern of shareholders, if more than one class of shares/ securities is issued by the issuer.**

The Company has issued only one class of security

Anand

HCL TECHNOLOGIES LIMITED

Annexure-4

(I)(a) Statement Showing Shareholding Pattern (Post-Scheme of Arrangement)

Name of the Company : **HCL Technologies Limited**	
Scrip Code : **BSE - 532281; NSE - HCLTECH**	Name of the Scrip, Class of Security : **Equity**

Partly paid-up shares:-		**No. of partly paid-up shares**	**As a % of total no. of partly paid-up shares**	**As a % of total no. of shares of the company**
	Held by promoter/ promoters's group	Nil	-	-
	Held by public	Nil	-	-
	Total	**Nil**	-	-
Outstanding convertible securities:-		**No. of outstanding securities**	**As a % of total no. of outstanding convertible securities**	**As a % of total no. of shares of the company, assuming full conversion of the convertible securities**
	Held by promoter/ promoters's group	Nil	-	-
	Held by public	Nil	-	-
	Total	**Nil**	-	-
Warrants:-		**No. of warrants**	**As a % of total no. of warrants**	**As a % of total no. of shares of the company, assuming full conversion of the convertible warrants**
	Held by promoter/ promoters's group	Nil	-	-
	Held by public	Nil	-	-
	Total	**Nil**	-	-
Total paid-up capital of the company assuming full conversion of warrants and convertible securigties		Nil	-	-
		Nil	-	-
		Nil	-	-

Category code (I)	Category of Shareholder (II)	Number of Share-holders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	Number of Shares (VIII)	As a percentage (IX)= VIII/IV*100
(A)	**Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	2	612,622,144	612,622,144	43.57%	43.57%	Nil	Nil
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others (Specify)						-	-
(e-i)	Directors & their Relatives	3	788	788	0.00%	0.00%	Nil	Nil
(e-ii)	Trust **	1	80	80	0.00%	0.00%	Nil	Nil
	Sub Total(A)(1)	**6**	**612,623,012**	**612,623,012**	**43.57%**	**43.57%**	**Nil**	**Nil**
2	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	1	239,097,816	239,097,816	17.01%	17.01%	Nil	Nil
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Others(Specify)							
	Sub Total(A)(2)	**1**	**239,097,816**	**239,097,816**	**17.01%**	**17.01%**	**Nil**	**Nil**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7**	**851,720,828**	**851,720,828**	**60.58%**	**60.58%**	**Nil**	**Nil**

Anand

HCL TECHNOLOGIES LIMITED

(B)	**Public shareholding**						**N.A.**	**N.A.**
1	**Institutions**							
(a)	Mutual Funds/ UTI	305	48,799,184	48,797,020	3.47%	3.47%	-	-
(b)	Financial Institutions/ Banks	23	777,941	777,145	0.06%	0.06%	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	30	14,036,744	14,036,744	1.00%	1.00%	-	-
(f)	Foreign Institutional Investors	908	406,713,190	406,712,390	28.93%	28.93%	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-		
(I)	Any Other (specify)							
(I-i)	Foreign Banks	3	1,200	1,200	0.00%	0.00%	-	-
	Sub-Total (B)(1)	**1,269**	**470,328,259**	**470,324,499**	**33.45%**	**33.45%**	-	-
B 2	**Non-institutions**						**N.A.**	**N.A.**
(a)	Bodies Corporate	1,421	33,718,568	33,711,548	2.40%	2.40%	-	-
(b)	Individuals							-
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	117,893	33,847,063	33,168,464	2.41%	2.41%	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	67	7,191,884	7,191,884	0.51%	0.51%	-	-
(c)	Qualified Foreign Investor	-	-	-	0.00%	0.00%		
(d)	Any Other (specify)							-
(d-i)	Trusts	36	1,337,122	1,337,122	0.10%	0.10%	-	-
(d-ii)	Foreign Nationals	12	74,767	74,767	0.01%	0.01%	-	-
(d-iii)	Non-Resident Indians	3,194	5,888,415	5,858,975	0.42%	0.42%	-	-
(d-iv)	Overseas Corporate Bodies	9	18,124	17,244	0.00%	0.00%	-	-
(d-v)	Clearing Members	465	1,364,123	1,364,123	0.10%	0.10%	-	-
(d-vi)	Hindu Undivided Families	1,804	489,265	489,265	0.03%	0.03%	-	-
	Sub-Total (B)(2)	**124,901**	**83,929,331**	**83,213,392**	**5.97%**	**5.97%**	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**126,170**	**554,257,590**	**553,537,891**	**39.42%**	**39.42%**	**N.A.**	**N.A.**
	TOTAL (A)+(B)	**126,177**	**1,405,978,418**	**1,405,258,719**	**100.00%**	**100.00%**	**Nil**	**Nil**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued #**	-	-	-	-	-	**N.A.**	**N.A.**
i.	Promoter and Promoter group	-	-	-	-	-		
ii.	Public	-	-	-	-	-		
	GRAND TOTAL (A)+(B)+(C)	**126,177**	**1,405,978,418**	**1,405,258,719**	**100.00%**	**100.00%**	**Nil**	**Nil**

The Company has not issued any shares to the custodians against which Depository Receipts have been issued.

Note: No. of shares may change due to allotment of shares pursuant to Employees stock option plan of the company.

HCL TECHNOLOGIES LIMITED

(I)(b) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group"**

Sr. No. (I)	Name of the shareholder (II)	Details of Shares held: Number (III)	Details of Shares held: As a % of grand Total (A)+(B)+(C) (IV)	Encumbered Shares: Number (V)	Encumbered Shares: As a percentage (VI) = (V)/(III)*100	Encumbered Shares: As a % of grand Total (A)+(B)+(C) of sub-clause (I)(a) (VII)	Details of warrants: Number of warrants held (VII)	Details of warrants: As a % of total number of warrants of the same class (IX)	Details of convertible securities: Number of convertible securities held (X)	Details of convertible securities: As a % of total number of convertible securites of the same class (XI)	Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital (XII)
1	Vama Sundari Investments (Delhi) Pvt. Ltd.	600,097,024	42.68%	-			-		-		-
2	HCL Corporation Private Limied	12,525,120	0.89%								
3	HCL Holdings Private Limited *	239,097,816	17.01%	-			-		-		-
4	Mr. Shiv Nadar	368	0.00%	-			-		-		-
5	Ms. Kiran Nadar	72	0.00%	-			-		-		-
6	Ms. Roshni Nadar Malhotra	348	0.00%	-			-		-		-
7	SSN Trust **	80	0.00%								
	TOTAL	851,720,828	60.58%	-							

* This is an Overseas Corporate Body.

** These are public charitable trusts in which promoter does not hold any beneficial interest

(I)(c) (i) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants: Number of warrants held	Details of warrants: As a % of total number of warrants of the same class	Details of convertible: Number of convertible securities held	Details of convertible: % w.r.t. total number of convertible securites of the same class	Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	Nil							
	TOTAL	-						

(I)(c)(ii) **Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of the Company**

Sr. No.	Name(s) of the shareholder(s) and the Persons Acting in Concert(PAC) with them	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Details of warrants: Number of warrants	Details of warrants: As a % of total number of warrants of the same class	Details of convertible: Number of convertible securities held	Details of convertible: % w.r.t. total number of convertible securites of the same class	Total Shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
	Nil	-		-		-		-
	TOTAL	-						

(I)(d) **Statement showing details of locked-in shares**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}	Promoter/ Promoter Group/ Public
	Nil			
	TOTAL	0	0.00	0.00

Anand

HCL TECHNOLOGIES LIMITED

(II)(a) **Statement showing details of Depository Receipts (DRs)**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
Not Applicable				
TOTAL		0	0	0.00

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares held by 'promoter/ promoter group' are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
Not Applicable				
TOTAL			0	0.00

(III)(a) **Statement showing the voting pattern of shareholders, if more than one class of shares/ securities is issued by the issuer.**

The Company has issued only one class of security

HCL TECHNOLOGIES LIMITED

HCL COMNET LTD.
(A subsidiary of HCL TECHNOLOGIES LTD.)
Corporate Identity Number: U74899DL2001PLC111951
A-10/11, Sector 3, NOIDA 201 301, UP., India
T: +91 120 4362800 F: +91 120 2539799
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India
www.hclcomnet.co.in
www.hclisd.com

Annexure-4

HCL Comnet Limited

Statement showing Shareholding Pattern (Pre and Post Scheme of Arrangement)

Sr. No.	Name of the Shareholder	Pre-Scheme of Arrangement		Post- Scheme of Arrangement	
		No. of Shares (Face value Rs.10/- each)	% of shareholding	No. of Shares (Face value Rs.10/- each)	% of shareholding
1	HCL Technologies Limited	949,840	99.994%	949,840	99.994%
2	Mr. Amit Roy *(held as nominee of HCL Technologies Limited)*	10	0.001%	10	0.001%
3	Mr. Sanjeev Nikore *(held as nominee of HCL Technologies Limited)*	10	0.001%	10	0.001%
4	Mr. Manish Anand (held as nominee of HCL Technologies Limited)	10	0.001%	10	0.001%
5	Mr. C.R.D. Prasad (held as nominee of HCL Technologies Limited)	10	0.001%	10	0.001%
6	Mr. Shamsher Singh (held as nominee of HCL Technologies Limited)	10	0.001%	10	0.001%
7	Mr. Atul Kumar Jain (held as nominee of HCL Technologies Limited)	10	0.001%	10	0.001%
	Total	**949,900**	**100.000%**	**949,900**	**100.000%**

HCL COMNET LIMITED *

For HCL Comnet Limited

Manand

Manish Anand
(Director)

HCL

HCL COMNET LIMITED

INDIAN - GAAP

STANDALONE FINANCIAL STATEMENT

For the year ended June 30, 2013

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Comnet Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HCL Comnet Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

S.R. Batliboi & Associates LLP
Gurgaon

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Yogesh Midha
Partner
Membership Number: 094941
Place of Signature: Gurgaon
Date: August 30, 2013

S.R. Batliboi & Associates LLP
Gurgaon

Annexure referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: HCL Comnet Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon

(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the Company in respect of these areas.

(v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

S.R. Batliboi & Associates LLP Gurgaon

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.* The provisions relating to investor education and protection fund and excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	***Nature of Dues***	***Amount (Rs)***	***Period to which the amount relates***	***Forum where dispute is pending***
Income Tax Act, 1961	On account expenses relating to exempt income	32,527	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	On account of Goods and services written off on presumptive basis and expenses relating to exempt income	25,354,182	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	On account of Goods and services written off on presumptive basis, non confirmation of customer balances and expenses relating to exempt income.	33,588,765	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	On account of expenses relating to exempt income.	1,202,770	2005-06	Income Tax Appellate Tribunal

S.R. Batliboi & Associates LLP
Gurgaon

Name of the Statute	*Nature of Dues*	*Amount (Rs)*	*Period to which the amount relates*	*Forum where dispute is pending*
Income Tax Act, 1961	On account of expenses on leasehold improvement and expenses relating to exempt income	2,969,098	2004-05	Income Tax Appellate Tribunal
Karnataka Value added Tax Act, 2003	On account of additional sales tax demand	12,267,047	2006-07	Joint Commissioner (Appeals)
Central Sales tax Act, 1956	On account of non availability of form C	2,657,954	2008-09	Assistant Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	On account of additional sales tax demand	460,792	2008-09	Joint Commissioner Sales Tax
Central Sales tax Act, 1956	On account of non availability of form C	1,190,097	2009-10	Assistant Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	On account of additional sales tax demand	49,000	2009-10	Joint Commissioner Sales Tax
Central Sales tax Act, 1956	On account of non availability of form C	788,478	2010-11	Assistant Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	On account of additional sales tax demand	913,364	2010-11	Joint Commissioner Sales Tax
Chennai Value added tax Act,2003	On account of additional sales tax demand	96,444	2012-13	Joint Commissioner (Appeals)

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not issued any debentures and has not defaulted in repayment of dues to a financial institution or bank.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

S.R. Batliboi & Associates LLP
Gurgaon

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No.: 94941

S.R. Batliboi & Associates LLP Gurgaon

Gurgaon, India
August 30, 2013

HCL Comnet Limited
Balance Sheet as at June 30, 2013
(All amounts in ₹)

	Note No.	As at June 30, 2013	As at June 30, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	9,499,000	9,499,000
(b) Reserves and surplus	2.2	1,734,809,229	1,404,276,859
		1,744,308,229	**1,413,775,859**
(2) Non - current liabilities			
(a) Long-term borrowings	2.3	59,527,655	251,136,664
(b) Other long-term liabilities	2.4	128,524,747	103,584,513
(c) Long term provisions	2.5	63,902,897	95,026,405
		251,955,299	**449,747,582**
(3) Current liabilities			
(a) Short term borrowings	2.6	4,128,451,774	4,130,511,646
(b) Trade payables	2.7	731,893,461	630,816,447
(c) Other current liabilities	2.7	2,889,845,287	2,246,153,942
(d) Short term provisions	2.8	47,647,847	43,111,446
		7,797,838,369	**7,050,593,481**
TOTAL		**9,794,101,897**	**8,914,116,922**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.9	206,936,392	347,926,249
(ii) Intangible assets	2.9	1,605,565	3,891,053
(iii) Capital work in progress		3,171,166	2,234,672
		211,713,123	**354,051,974**
(b) Deferred tax assets (net)	2.10	428,175,928	362,635,424
(c) Long term loans and advances	2.11	853,125,536	433,990,973
(d) Other non-current assets	2.12	41,070,614	8,459,154
		1,534,085,201	**1,159,137,525**
(2) Current Assets			
(a) Current investments	2.13	1,811,946,819	904,087,876
(b) Inventories	2.14	387,875,925	316,449,791
(c) Trade receivables	2.15	1,473,612,409	1,613,473,370
(d) Cash and bank balances	2.16	2,265,732,177	3,170,893,072
(e) Short - term loans and advances	2.17	1,702,889,106	1,449,508,270
(f) Other current assets	2.18	617,960,260	300,567,018
		8,260,016,696	**7,754,979,397**
TOTAL		**9,794,101,897**	**8,914,116,922**
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership Number: 094941

Gurgaon, India
Date: August 30, 2013

S.R. Batliboi & Associates LLP Gurgaon

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: August 30, 2013

HCL Comnet Limited

Statement of Profit and Loss for the year ended June 30 ,2013

(All amounts in ₹ except share data unless otherwise stated)

	Note No.	Year ended June 30, 2013	Year ended June 30, 2012
Income			
Revenue from operations	2.19	5,613,062,811	5,296,049,428
Other income	2.20	392,851,017	445,650,148
Total revenue		**6,005,913,828**	**5,741,699,576**
Expenses			
Purchases of stock-in-trade	2.35	2,230,805,462	2,252,048,132
Changes in inventories of stock-in-trade	2.21	(161,832,984)	(347,376,231)
Employee benefit expenses	2.22	1,333,264,034	1,283,711,930
Finance costs	2.23	45,618,431	37,636,901
Depreciation and amortisation expense	2.9	163,427,419	311,506,256
Other expenses	2.24	1,943,724,915	1,724,931,082
Total expenses		**5,555,007,277**	**5,262,458,070**
Profit before tax		**450,906,551**	**479,241,506**
Provision for Tax			
- current tax		(185,914,685)	(204,173,619)
- deferred tax credit		65,540,504	74,653,101
Profit for the year		**330,532,370**	**349,720,988**
Earnings per equity share of par value ₹ 10 each (computed on the basis of profit for the year)	2.41		
Basic and Diluted (₹)		347.97	368.17
Computed on the basis of profits for the year adjusted for revenue reversal of previous year	2.41		
Basic and Diluted (₹)		641.99	368.17
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership Number: 094941

S.R. Batliboi & Associates LLP Gurgaon

Gurgaon, India
Date: August 30, 2013

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: August 30, 2013

HCL Comnet Limited
Cash flow statement
(All amounts in ₹)

	Year ended June 30, 2013	Year ended June 30, 2012
A. Cash flows from operating activities		
Profit before tax (after adjusting prior period item refer note 2.41)	864,336,757	479,241,506
Adjustment for:		
Depreciation and amortization expenses	163,427,419	311,506,256
Interest income	(329,165,201)	(362,544,102)
Dividend income	(32,753,017)	(43,762,530)
Interest expenses	28,687,458	29,095,854
Profit on sale of fixed assets	(595,819)	(682,381)
Profit on sale of investments	(10,566,628)	-
Provisions no longer required written back	-	(3,646,462)
Provision for doubtful debts / bad debt written off	98,999,726	92,088,947
Provision for doubtful advances	3,895,667	985,363
Unrealised foreign exchange (gain)	(9,097,511)	(5,732,083)
Prior period item (refer note 2.41)	(413,430,206)	-
Operating profit before working capital changes	**363,738,645**	**496,550,368**
Movement in Working Capital		
Decrease / (increase) in trade receivables	33,630,275	(269,530,717)
(Increase) in loans and advances	(102,535,483)	(152,542,827)
(Increase) / decrease in other assets	(340,024,018)	331,606,897
(Increase) / decrease in inventories	(71,426,134)	989,441
Decrease / (increase) in liabilities and provisions	830,031,377	(281,698,436)
Cash generated from operations	**713,414,662**	**125,374,726**
Direct taxes paid (net of refunds)	(325,454,784)	40,409,509
Net cash from operating activities (A)	**387,959,878**	**165,784,235**
B. Cash flows from investing activities		
Investment in fixed deposits	(2,000,850,000)	(2,995,000,087)
Proceeds from maturity of fixed deposits	2,995,000,087	1,968,554,905
Purchase of investments in mutual funds	(3,690,753,017)	(3,826,398,102)
Proceeds from sale of mutual funds	2,793,460,703	5,221,731,545
Loans given to ultimate holding company	-	(820,000,000)
Deposits placed with body corporate	(355,000,000)	-
Purchase of fixed assets, including intangible assets, CWIP and capi	(22,994,387)	(56,293,088)
Proceeds from sale of fixed assets	1,912,352	1,353,592
Dividend received	32,753,017	43,762,530
Interest received	319,439,947	376,794,345
Taxes paid	(60,927,137)	(135,063,357)
Net cash from/ (used in) investing activities (B)	**12,041,565**	**(220,557,717)**
C. Cash flows from financing activities		
Short term borrowings from holding company	4,128,451,774	4,130,511,647
Repayment of short term borrowings from holding company	(4,130,511,647)	(3,795,427,364)
Proceeds from long term borrowings	-	56,539,959
Repayment of long term borrowings	(275,253,411)	(262,414,288)
Principal payment on finance lease obligations	(1,872,180)	(2,668,127)
Interest paid	(30,887,431)	(31,162,481)
Net cash (used in) / from financing activities (C)	**(310,072,895)**	**95,379,346**
Effect of exchange differences on cash and cash equivalents held in foreign currency	(99,356)	907,960
Net increase in cash and cash equivalents (A+B+C)	89,928,548	40,605,864
Cash and cash equivalents at the beginning of the year	175,892,985	134,379,161
Cash and cash equivalents at the end of the year as per note 2.16	**265,722,177**	**175,892,985**

Note: Previous year figures have been regrouped and recast wherever necessary to confirm to the current year classification.

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership No. 094941
Gurgaon, India
Date: August 30, 2013

S.R. Batliboi & Associates LLP Gurgaon

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: August 30, 2013

HCL Comnet Limited

Notes to financial statements

(All amounts in ₹ except share data and as stated otherwise)

Company Overview

HCL Comnet Limited was incorporated in India in August 2001 and focuses on providing technology services. The Company is providing data communication services which include trading of satellite and non satellite based communication equipments such as VSAT, Routers, switches, Modems etc, application operation services and services related to installation and maintenance of networking equipment. The Company is providing the services across Defense, Financial services, Government, Telecom, PSU's, Energy and utilities.

1. Summary of Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis.

The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Revenue recognition

Revenue from sale of products is recognized when persuasive evidence of an arrangement exists, risk and reward of ownership has been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured. Revenue from installation services is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from infrastructure management services comprise income from time-and-material, and fixed price contracts.Revenue with respect to time-and-material contracts is recognized as related services are performed.Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Warranty costs on sale of goods and services are accrued based on management estimates and historical data at the time those related revenues are recognized.

Unearned income arising in respect of maintenance services is calculated on the basis of unutilized period of service at the balance sheet date and represents revenue, which is expected to be earned in future periods in respect of these services.

Revenues are shown net of value added tax, service tax and applicable discounts and allowances. The revenue is recognized net of discounts and allowances.

Products which are delivered and acceptance not received are considered as deferred cost.

S.R. Batliboi & Associates LLP
Gurgaon

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

d) Tangibles fixed assets and capital work-in-progress

Fixed assets are stated at the cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on the existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount are recognised in the Statement of Profit and Loss when the asset is derecognized.

Fixed assets under construction, and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

e) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rate which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on leasehold land over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing less than ` 5,000 are fully depreciated in the year of purchase.

The management's estimates of the useful lives of the various tangible fixed assets for computing depreciation are as follows:

Fixed Asset	Life in Years
Leasehold land	Over the period of lease
Building	20
Plant and Machinery (including air conditioners and electric installation)	4
Office equipment	4
Computers	3
Furniture and fixtures	4
Vehicle - owned	5
Vehicle - leased	Over the period of lease or 5 years whichever is lower

S.R. Batliboi & Associates LLP * Gurgaon *

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Intangible assets are amortised on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of intangible assets exceeds ten years, the company amortize the intangible assets over the best estimate of its useful life.

The amortisation period and amortisation method are reviewed at least each financial year end. If the expected useful life of the assets is significantly different from the previous estimate, the amortisation period is changed accordingly. If there has been significant change in the expected pattern of economic benefit from the asset the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 Net Profit and Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gain or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the Statement of Profit and Loss when the asset is derecognized.

The management's estimate of useful life of software is 3 years.

g) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) Leases

Where the Company is the lessor

Lease in which the company transfers substantially all the risk and benefits of ownership of the asset are classified as finance lease. Assets given under a finance lease are recognized as receivable at an amount equal to the net investment in the leases. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized immediately in the statement of profit & loss.

Leases in which the company does not transfers substantially all the risk and benefits of ownership assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit & loss on a straight line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit & loss. Initial direct cost such as legal cost, brokerage cost etc are recognized immediately in statement of profit and loss.

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Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of lease term at the lower of the fair value and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve constant rate of interest on the remaining balance liability. Finance charges are recognized as finance cost in the statement of profit and loss account. Lease management fees, legal charges and other initial cost initial indirect cost of lease are capitalized.

A leased asset is depreciated on a straight line basis over useful life of the assets or the useful life envisaged in schedule XIV to the Companies Act 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of lease term, capitalized assets is depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the leased term or the useful life envisaged in Section XIV of the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

i) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investment are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange of another assets, the acquisition is determined by reference to the fair value of the assets given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of investments, the difference between its carrying amount and net disposal is charged and credited to statement of profit and loss.

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k) Foreign currency translation

i) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

l) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 (enacted in India). Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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m) Retirement and other employee benefits

i. Contributions to provident fund, a defined benefit plan, are deposited with a Recognized Provident Fund Trust, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

ii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iii. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance Sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

iv. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

v. State Plans: The Company's contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees' Pension Scheme are charged to the statement of profit and loss for each period of service rendered by the employees.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Borrowing cost

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing cost are expensed in the period they occur.

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p) Provisions

A provision is recognised when there exist a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable than an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposit with banks with an original maturity of three months or less.

2 Notes to financial statements

2.1 Share Capital

	As at	
	June 30, 2013	**June 30, 2012**
Authorized		
1,100,000 (Previous year , 1,100,000) equity shares of ₹ 10 each	11,000,000	11,000,000
Issued, subscribed and fully paid up		
949,900 (Previous year, 949,900) equity shares of ₹ 10 each fully paid up	9,499,000	9,499,000

The Company has only one class of shares issued referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at			
	June 30, 2013		June 30, 2012	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Number of shares at the beginning	949,900	9,499,000	949,900	9,499,000
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	949,900	9,499,000	949,900	9,499,000

Shares held by holding / ultimate holding company and / or their subsidiaries/associates:

Out of equity shares issued by the company, shares held by its holding company, are as below:

	As at			
	June 30, 2013		June 30, 2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
HCL Technolgies Limited (excluding 60 shares with nominees) , the holding company (refer note no. 2.40)	949,840	99.99%	949,840	99.99%

Details of shareholders holding more than 5% shares in the company:-

	As at			
	June 30, 2013		June 30, 2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
HCL Technolgies Limited (excluding 60 shares with nominees) , the holding company (refer note no. 2.40)	949,840	99.99%	949,840	99.99%

There are no shares held by the holding company and subsidiaries / associates of the holding company.

As per the records of the company, including its register of shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during five years immediately preceding the reporting date.

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HCL Comnet Limited
Notes to financial statements for the year ended June 30, 2013
(All amounts in ₹ except share data and unless otherwise stated)

2.2 Reserves and Surplus

	As at	
	June 30, 2013	**June 30, 2012**
Securities premium account		
Balance as at year end	539,940,000	539,940,000
	539,940,000	**539,940,000**
Surplus in the statement of profit and loss		
Balance as per last financial statements	864,336,859	514,615,871
Profit for the year	330,532,370	349,720,988
Net surplus in statement of profit and loss	**1,194,869,229**	**864,336,859**
	1,734,809,229	**1,404,276,859**

2.3 Long term borrowings

	Non current portion		Current portion	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
(a) Secured				
From bank				
Long term loans (refer note 1 below)	4,199,799	2,447,088	1,034,445	373,519
From others				
Others (refer note 2 below)	7,613,062	138,151,243	130,538,181	176,936,042
Finance lease obligations (refer note 3 below)	208,216	1,412,408	1,096,169	1,764,157
(b) Unsecured				
Others (refer note 4 below)	47,506,578	109,125,925	61,619,347	100,731,006
Amount disclosed under the head" Other current liabilities" (note 2.7)			**(194,288,142)**	**(279,804,724)**
	59,527,655	**251,136,664**	-	-

Note:-

1. The Company has availed a term loan which secured by hypothecation of vehicles of ₹ 7,464,370 (Previous year ₹ 2,855,190) at variable interest rates not exceeding interest rate of 11% (previous year : 11%).The same is repayable over a period of 5 years (previous year over a period of 5 years) on monthly basis.

2. The other long term debts of ₹ 138,151,243 represents loan taken for purchase of plant and machinery (Previous year ₹ 315,087,285) at an interest ranging from 0% to 8.80% secured by hypothecation of gross block of plant and machinery of ₹ 814,900,371 (Previous year ₹ 814,900,371). The loan is repayable till July 2014.

3. Obligation under finance lease is secured by vehicle taken on lease.

4. The other long term debts of ₹ 109,125,925 represents loan taken for purchase of plant and machinery (previous year ₹ 209,856,931) at an interest ranging from 0% to 8.80% .The loan is repayable till July 2015.

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Notes to financial statements for the year ended June 30, 2013

(All amounts in ₹ except share data and unless otherwise stated)

2.4 Other long term Liabilities

	As at	
	June 30, 2013	June 30, 2012
Deposit from customers	50,400,000	97,660,000
Income received in advance	78,124,747	5,924,513
	128,524,747	**103,584,513**

2.5 Long term provisions

	As at	
	June 30, 2013	June 30, 2012
Provision for employee benefits		
Provision for gratuity (refer note 2.34)	55,250,829	46,130,940
Provision for other long term incentive	-	40,243,397
	55,250,829	**86,374,337**
Provision for fringe benefit tax (refer note below)	3,076,215	3,076,215
Provision for Warranty (refer note 2.32)	5,575,853	5,575,853
	63,902,897	**95,026,405**

Note: Net of fringe benefit advance tax ₹ 34,015,345 (Previous year ₹ 34,015,345).

2.6 Short term borrowings

	As at	
	June 30, 2013	June 30, 2012
Unsecured		
From Holding company (refer note 2.40) and (refer note 2.26(d))	4,128,451,774	4,130,511,646
	4,128,451,774	**4,130,511,646**

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Notes to financial statements for the year ended June 30, 2013

(All amounts in ₹ except share data and unless otherwise stated)

2.7 Trade payables and other current liabilities

	As at	
	June 30, 2013	**June 30, 2012**
Trade Payables (refer note 2.33 for details of dues to micro and small enterprises)	602,063,779	309,158,324
Trade Payables - related parties (refer note 2.26(d))	129,829,682	321,658,123
	731,893,461	**630,816,447**
Other current liabilities		
Capital Accounts Payables	6,423,501	6,666,065
Capital Accounts payables-Related parties (refer note 2.26(d))	45,109	44,356
Current maturities of long term borrowings (refer note 2.3)	194,288,142	279,804,724
Interest accrued but not due on borrowings	1,628,915	3,828,888
Advance received from customers	182,173,314	203,455,700
Deposit from customers	111,726,358	67,212,101
Income received in advance	854,186,455	934,317,257
Income received in advance - related parties (refer note 2.26(d))	188,035,832	336,684,744
Accrued salaries and benefits		
Employee bonuses accrued	90,920,249	68,349,114
Other employee costs	26,915,182	28,764,423
Other liabilities		
Liabilities for expenses	289,091,602	301,466,539
Liabilities for expenses - related parties (refer note 2.26(d))	43,105,606	3,207,176
Supplier credit	810,626,811	-
Supplier credit-related party (refer note no. (2.26d))	25,469,459	-
Withhoding and other taxes payable	48,375,770	12,352,855
Service tax payable	16,832,982	-
	2,889,845,287	**2,246,153,942**

2.8 Short term provisions

	As at	
	June 30, 2013	**June 30, 2012**
Provision for employee benefits		
Provision for gratuity (refer note 2.34)	11,587,413	10,997,384
Provision for compensated absences	36,060,434	32,114,062
	47,647,847	**43,111,446**

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Notes to Financial Statements
(All amounts in ₹)

2.9 Fixed Assets

Particulars	Gross block				Accumulated depreciation / amortisation				Net block	
	As at July 1, 2012	Additions	Deletions	As at June 30, 2013	As at July 1, 2012	Charge for the year	Deletions	As at June 30, 2013	As at June 30, 2013	As at June 30, 2012
Tangible Assets										
Leasehold land	54,234,221	-	-	54,234,221	6,429,031	797,085	-	7,226,116	47,008,105	47,805,190
Building	147,028,995	-	-	147,028,995	48,990,370	7,351,057	-	56,341,427	90,687,568	98,038,625
Plant and machinery	1,187,282,388	2,320,281	-	1,189,602,669	1,052,967,371	107,174,589	-	1,160,141,960	29,460,709	134,315,017
Office Equipment	101,014,205	1,599,353	854,667	101,758,891	91,426,006	3,789,370	854,667	94,360,709	7,398,182	9,588,199
Computers	217,993,370	11,051,703	5,778,937	223,266,136	171,556,602	35,331,891	5,778,937	201,109,556	22,156,580	46,436,768
Furniture and fittings	64,454,915	1,671,852	-	66,126,767	59,758,823	3,650,587	-	63,409,410	2,717,357	4,696,092
Vehicles - owned	6,373,044	3,895,383	-	10,268,427	2,904,102	1,279,724	-	4,183,826	6,084,601	3,468,942
- leased	8,709,707	590,195	3,996,585	5,303,317	5,132,291	1,427,788	2,680,052	3,880,027	1,423,290	3,577,416
Total (A)	**1,787,090,845**	**21,128,767**	**10,630,189**	**1,797,589,423**	**1,439,164,596**	**160,802,091**	**9,313,656**	**1,590,653,031**	**206,936,392**	**347,926,249**
Intangible										
Software	109,458,669	339,840	-	109,798,509	105,567,616	2,625,328	-	108,192,944	1,605,565	3,891,053
Total (B)	**109,458,669**	**339,840**	**-**	**109,798,509**	**105,567,616**	**2,625,328**	**-**	**108,192,944**	**1,605,565**	**3,891,053**
Total (A)+(B)	**1,896,549,514**	**21,468,607**	**10,630,189**	**1,907,387,932**	**1,544,732,212**	**163,427,419**	**9,313,656**	**1,698,845,975**	**208,541,957**	**351,817,302**
June 30, 2012	1,864,107,920	43,160,674	10,719,080	1,896,549,514	1,243,273,824	311,506,256	10,047,868	1,544,732,212	351,817,302	620,834,096

2.10 Deferred tax assets (net)

	As at	
	June 30, 2013	June 30, 2012
Deferred tax assets:		
Accrued employee costs	45,542,860	48,684,454
Provision for doubtful debts and advances	186,394,696	148,561,424
Depreciation and amortization	210,617,956	195,833,612
Leased vehicles	59,011	1,030,637
Others	3,038,842	1,426,787
Gross deferred tax assets (A)	**445,653,365**	**395,536,914**
Deferred tax liabilities		
Assets given on finance lease	17,477,437	32,901,490
Gross deferred tax liabilities (B)	**17,477,437**	**32,901,490**
Net deferred tax assets (A-B)	**428,175,928**	**362,635,424**

2.11 Long term loans and advances

	As at	
	June 30, 2013	June 30, 2012
Unsecured , considered good		
Capital advances	897,192	549,717
Capital advances-related parties (refer note 2.26(d))	854,029	854,029
Security deposits	79,483,943	68,125,666
Finance lease receivables (refer note 2.25(iii))	129,167,574	60,156,229
Advance Income Tax (refer note below)	360,029,757	159,562,521
Prepaid expenses	282,693,041	144,742,811
	853,125,536	**433,990,973**
Unsecured , considered doubtful		
Loan and advances to others	26,664,575	22,768,908
Less: Provision for doubtful advances	(26,664,575)	(22,768,908)
	853,125,536	**433,990,973**

Note: Net of Income tax provision of ₹ 935,521,517 (Previous year: ₹ 749,606,832).

2.12 Other non-current assets

	As at	
	June 30, 2013	June 30, 2012
Unsecured considered good unless otherwise stated		
Deferred cost	40,230,614	8,459,154
Bank deposit more than 12 months	840,000	-
	41,070,614	**8,459,154**

Note: Pledged with banks as security for guarantees ₹840,000 (Previous year: ₹ Nil)

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2.13 Current Investments

Particulars	As at	
	June 30, 2013	June 30, 2012
Current investments (At lower of cost or fair value) (unquoted)		
Non trade and unquoted		
Investment in mutual fund (refer note below)	1,811,946,819	904,087,876
	1,811,946,819	**904,087,876**

Note: Net asset value of current investment in mutual funds as on June 30, 2013 is ₹ 1,843,009,492 (previous year ₹ 904,087,876)

Details of Investments in mutual funds - Non trade and unquoted:-

	Face Value	Balance as at June 30, 2013		Balance as at June 30, 2012	
		Units	Amount	Units	Amount
Daily Dividend					
ICICI Prudential Institutional Liquid Plan - Super Institutional	100	-	-	1,657,219	165,759,342
Tata Liquid Fund - Super High Investment Plan	1000	-	-	23,240	25,901,489
DSP BlackRock Liquidity Fund-IP	1000	-	-	59,113	59,131,843
DSP BlackRock Liquidity Fund-IP-Growth	1000	260,451	433,973,655	-	-
HDFC Liquid Fund Growth	10	6,716,307	155,837,583	-	-
ICICI Prudential Liquid Super Inst Plan-Growth	100	1,471,026	257,190,612	-	-
SBI Premier Liquid Fund Super IP	1000	-	-	501,035	502,663,849
SBI Premier Liquid Fund Super IP-Growth	1000	109,111	202,565,359	-	-
TATA Liquid Fund-Plan A-Growth	1000	165,124	356,568,381	-	-
UTI Liquid Fund-Cash Plan	1000	-	-	39,421	40,187,669
UTI Liquid Fund-Cash Plan-Growth	1000	207,044	405,811,229	-	-
Kotak Liquid fund - IP	10	-	-	9,031,958	110,443,684
Total		**8,929,063**	**1,811,946,819**	**11,311,986**	**904,087,876**

2.14 Inventories

	As at	
	June 30, 2013	**June 30, 2012**
Stock in trade (refer note 2.35)	348,188,074	291,375,608
Goods in transit	38,160,693	22,492,550
Stores and spares	1,527,158	2,581,633
	387,875,925	**316,449,791**

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Notes to financial statements for the year ended June 30, 2013
(All amounts in ₹ except share data and unless otherwise stated)

2.15 Trade receivables (Unsecured)

	As at	
	June 30, 2013	**June 30, 2012**
(a) Considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	184,737,395	554,769,362
Unsecured, considered doubtful	516,796,825	423,691,696
	701,534,220	**978,461,058**
Provision for doubtful receivables	(516,796,825)	(423,691,696)
Total (A)	**184,737,395**	**554,769,362**
(b) Other receivables		
Unsecured, considered good	1,288,875,014	1,058,704,008
Total (B)	**1,288,875,014**	**1,058,704,008**
Total (A)+(B)	**1,473,612,409**	**1,613,473,370**

Note: Include receivable from related parties amounting to ₹ 79,206,728 (Previous year: ₹449,396,234) refer note 2.26(d).

2.16 Cash and bank balances

	As at	
	June 30, 2013	**June 30, 2012**
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	259,057,391	175,604,059
Cheque in hand	2,819,963	239,384
Cash in hand	-	49,542
Remittances in transit	3,844,823	-
Total (A)	**265,722,177**	**175,892,985**
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	2,000,010,000	2,995,000,087
Deposits with original maturity of more than 12 months	840,000	-
	2,000,850,000	**2,995,000,087**
Amount disclosed under other non-current assets (refer note 2.12)	(840,000)	-
Total (B)	**2,000,010,000**	**2,995,000,087**
Total (A+B)	**2,265,732,177**	**3,170,893,072**

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Notes to financial statements for the year ended June 30, 2013

(All amounts in ₹ except share data and unless otherwise stated)

2.17 Short-term loans and advances

	As at	
	June 30, 2013	**June 30, 2012**
Unsecured , considered good ;		
Loan and advances related party (refer note 2.26(d))	835,190,688	1,021,346,734
Others		
Security deposits	1,822,908	1,822,908
Intercorporate deposits with HDFC Limited	355,000,000	-
Finance lease receivables (refer note 2.25(iii))	62,582,402	52,215,057
Advance to suppliers	25,041,880	34,753,284
Prepaid expenses	419,790,219	309,584,957
Service Tax Receivable	-	20,827,743
Other loans and advances	3,461,009	8,957,587
	1,702,889,106	**1,449,508,270**
Unsecured , considered doubtful		
Loans and advances to employees	4,172,159	10,181,295
Loans and advances to others	1,245,068	1,245,068
	5,417,227	11,426,363
Less: Provision for doubtful advances	(5,417,227)	(11,426,363)
	1,702,889,106	**1,449,508,270**

2.18 Other current assets

	As at	
	June 30, 2013	**June 30, 2012**
Unbilled revenue	14,820,565	17,923,447
Unbilled revenue-related parties (refer note 2.26(d))	455,211,644	7,648,796
Deferred cost	112,591,874	249,383,852
Interest receivable	29,876,999	20,166,661
Interest receivable-related parties (refer note 2.26(d))	5,459,178	5,444,262
	617,960,260	**300,567,018**

2.19 Revenue from operations

	Year ended	
	June 30, 2013	June 30, 2012
Sale of hardware and software (refer note 2.35)	2,660,726,141	2,542,236,903
Sale of services (refer note 2.41)	2,952,336,670	2,753,812,525
	5,613,062,811	**5,296,049,428**

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Notes to financial statements for the year ended June 30, 2013
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2.20 Other Income

	Year ended	
	June 30, 2013	**June 30, 2012**
Interest income		
- On fixed deposits	255,466,850	326,924,821
- Others	73,698,351	35,619,281
Profit on sale of current investments	10,566,628	-
Dividends from current investments	32,753,017	43,762,530
Provisions no longer required, written back	-	3,646,462
Profit on sale of fixed assets	595,819	682,381
Miscellaneous income	19,770,352	35,014,673
	392,851,017	**445,650,148**

2.21 Changes in inventories of stock-in-trade

	Year ended			
	June 30, 2013		**June 30, 2012**	
A. Changes in Inventories of Stock in Trade				
At end of the year	348,188,074		291,375,608	
At beginning of the year	291,375,608	(56,812,466)	278,882,179	(12,493,429)
B. Movement in Deferred cost				
At end of the year	152,822,488		257,843,006	
At beginning of the year	257,843,006	(105,020,518)	592,725,808	(334,882,802)
Total (A+B)		**(161,832,984)**		**(347,376,231)**

2.22 Employee benefit expenses

	Year ended	
	June 30, 2013	**June 30, 2012**
Salaries, wages and bonus	1,241,878,497	1,200,090,002
Gratuity	19,286,738	21,517,641
Contribution to provident fund and other funds	44,400,913	42,471,751
Staff welfare expenses	27,697,886	19,632,536
	1,333,264,034	**1,283,711,930**

2.23 Finance cost

	Year ended	
	June 30, 2013	**June 30, 2012**
Interest		
-on loan from bank	644,749	27,526
-on leased assets	222,981	654,916
-others	27,819,728	28,413,412
Bank charges	16,930,973	8,541,047
	45,618,431	**37,636,901**

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2.24 Other expenses

	Year ended	
	June 30, 2013	June 30, 2012
Rent	79,774,500	93,103,775
Power and fuel	28,208,248	24,471,172
Insurance	4,560,314	3,135,680
Cost of network installation, software and other services	1,302,366,951	1,093,903,346
Repairs and maintenance		
- Plant and machinery	5,560,461	5,760,723
- Buildings	8,704,159	11,227,470
- Others	49,982,669	46,646,845
Communication costs	32,671,753	34,855,723
Books and periodicals	861,879	1,085,189
Travel and conveyance	133,582,932	132,798,802
Freight and forwarding charges	32,968,399	34,248,515
Business promotion	6,197,773	9,664,738
Legal and professional charges (refer note 2.37)	17,026,414	33,304,078
Software license fee	19,017,666	15,619,187
Printing and stationery	7,550,801	12,250,344
Rates and taxes	16,048,390	16,171,228
Commission on sales	44,817	307,317
Recruitment, training and development	25,416,132	20,481,645
Provision for doubtful debts / bad debt written off	98,999,726	92,088,947
Provision for doubtful advances	3,895,667	985,363
Exchange differences (net)	62,140,450	40,785,030
Miscellaneous expenses	8,144,814	2,035,965
	1,943,724,915	**1,724,931,082**

2.25 Leases

i) Finance leases: In case assets taken on lease

The Company has acquired vehicles on finance leases. Total minimum lease payments and maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total Minimum Lease payment outstanding June 30, 2013	Interest included in minimum lease payments June 30, 2013	Present value of minimum lease payment June 30, 2013
Not Later than one year	1,201,284	105,115	1,096,169
	(2,124,087)	(359,930)	(1,764,157)
Later than one year and not later than five year	223,437	15,221	208,216
	(1,550,618)	(138,210)	(1,412,408)
	1,424,721	120,336	1,304,385
	(3,674,705)	(498,140)	(3,176,565)

Previous year figures are in bracket.

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ii) Operating Leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense relating to real estate recognised in the statement of profit and loss for the year is ₹ 79,545,698 (previous year ₹ 88,616,110). The escalation amount of operating lease payable in future years and accounted for by the company is ₹ 6,744,073 (previous year ₹ 4,397,557). Future minimum lease payments and payment profile of non-cancellable operating leases are as follows:

	Year ended	**Year ended**
	June 30, 2013	June 30, 2012
Not Later than one year	-	1,980,618
	-	**1,980,618**

iii) Finance Leases: In case of assets given on lease

The Company has given networking equipment to its customers on finance lease basis. The total minimum lease payment receivables and maturity profile of finance leases at the Balance Sheet date, element of interest included in such receipts, and present value of minimum lease payment receivable are as follows:

	Total Minimum Lease payment outstanding	**Interest included in minimum lease payments**	**Present value of minimum lease payment**
Not Later than one year	84,172,882 (70,069,337)	21,590,480 (17,854,280)	62,582,402 (52,215,057)
Later than one year and not later than five year	121,444,556 (73,782,628)	33,656,043 (13,626,399)	87,788,513 (60,156,229)
Later than five year	45,578,621 (-)	4,199,560 (-)	41,379,061 (-)
Total	251,196,059 (143,851,965)	59,446,083 (31,480,679)	191,749,976 (112,371,286)

Previous year figures are in brackets.

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2.26 Related party transactions

a) Related parties where control exists

HCL Technologies Limited, Holding company (Ultimate holding company up to March 31,2012 (refer note no. 2.40))

HCL Comnet Systems & Services Limited (Holding company up to March 31, 2012 and fellow subsidiary w.e.f April 1, 2012) (refer note no. 2.40)

b) Related parties with whom transactions have taken place during the year

Holding company
HCL Technologies Limited, India (Ultimate holding company up to March 31,2012 (refer note no. 2.40))

Fellow subsidiaries
HCL America Inc., USA
HCL Great Britain Limited, UK
HCL GmbH
HCL Sweden AB
HCL Belgium NV
HCL Technologies Norway AS
HCL (Netherlands) B.V
HCL Singapore Pte Limited
HCL Australia Ser Pty Ltd
HCL Technologies Canada Inc
HCL Technologies (Shanghai) Limited
HCL Axon (Pty) Limited
HCL Global processing services Limited
Axon Solutions Sdn Bhd
Axon Solutions Limited

Others (significant influence)

HCL Infosystems Limited

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Notes to financial statements for the year ended June 30, 2013

(All amounts in ₹)

c) Transactions with related parties during the year in the ordinary course of business:

Particulars	Revenues		Outsourcing costs		Purchase of capital equipment		Other expenses	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2013	2012	2013	2012	2013	2012	2013	2012
Holding Company								
HCL Technologies Limited (refer note no. 2.40)	924,493,669	305,532,709	37,948,013	181,211	-	-	-	-
Total (A)	**924,493,669**	**305,532,709**	**37,948,013**	**181,211**	-	-	-	-
Fellow Subsidiaries								
HCL America Inc. (refer note no 2.41)	(314,640,048)	385,116,040	4,446,608	16,407,149	-	-	-	304,777
HCL Great Britain Limited	41,794,576	19,789,293	10,065,766	7,205,878	-	-	-	-
HCL Singapore Pte Limited	3,917,402	-	448,803	26,383,555	-	-	-	-
HCL Sweden AB	14,625,080	559,114	-	-				
Other	8,124,878	12,512,245	7,578,924	-	-	-	-	-
Total (B)	**(246,178,112)**	**417,976,692**	**22,540,101**	**49,996,582**	-	-	-	**304,777**
Others (Significant influences)								
HCL Infosystems Limited	-	2,111,806	-	55,167,172	220,643	5,638,946	32,774,825	21,354,782
Total (C)	-	**2,111,806**	-	**55,167,172**	**220,643**	**5,638,946**	**32,774,825**	**21,354,782**
Total (A+B+C)	**678,315,557**	**725,621,207**	**60,488,114**	**105,344,965**	**220,643**	**5,638,946**	**32,774,825**	**21,659,559**

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(All amounts in ₹)

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Payment for use of facilities		Receipt for use of facilities		Interest Income	
	Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2013	2012	2013	2012	2013	2012
Holding Company						
-HCL Technologies Limited (refer note no. 2.40)	3,337,716	3,337,716	12,000,000	3,000,000	73,698,351	35,608,740
Total (A)	**3,337,716**	**3,337,716**	**12,000,000**	**3,000,000**	**73,698,351**	**35,608,740**
Fellow Subsidiaries						
HCL Comnet System & Services Limited (refer note no. 2.40)	-	-	-	9,000,000	-	-
HCL Global preocessing services Limited	-	-	2,587,200	-	-	-
Total (B)	-	-	**2,587,200**	**9,000,000**	-	-
Total (A+B)	**3,337,716**	**3,337,716**	**14,587,200**	**12,000,000**	**73,698,351**	**35,608,740**

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Loans given		Loan taken		Repayment of loan taken	
	Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2013	2012	2013	2012	2013	2012
Holding Company						
-HCL Technologies Limited (refer note no. 2.40)	-	820,000,000	-	4,130,511,646	2,059,872	3,795,427,362
Total	-	**820,000,000**	-	**4,130,511,646**	**2,059,872**	**3,795,427,362**
Immediate holding company						
HCL Comnet System & Services Limited	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-
Total (A+B)	-	**820,000,000**	-	**4,130,511,646**	**2,059,872**	**3,795,427,362**

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Notes to financial statements for the year ended June 30, 2013

(All amounts in ₹)

d) Outstanding balances with related parties

Particulars	Trade receivables		Trade payables		Income received in advance		Unbilled revenue	
	As at June 30,		As at June 30,		As at June 30,		As at June 30,	
	2013	2012	2013	2012	2013	2012	2013	2012
Holding Company								
HCL Technologies Limited (refer note no. 2.40)	49,062,168	394,630,553	106,627,806	315,559,193	162,461,050	327,566,972	451,604,434	-
Total (A)	**49,062,168**	**394,630,553**	**106,627,806**	**315,559,193**	**162,461,050**	**327,566,972**	**451,604,434**	**-**
Fellow Subsidiaries								
HCL America Inc.		54,154,748	13,050,766	3,356,366	12,609,388	7,044,041	-	3,763,359
HCL Great Britain Limited	8,973,784	-	1,274,451	2,724,584	871,151	-	790,173	3,885,437
HCL Singapore pte Limited	2,309,933		384,564	-	-	-	174,344	
HCL Sweden AB	5,686,584							
Others	13,130,660	610,933	7,770,854	-	12,094,243	2,073,731	55,493	-
HCL Global processing services Limited	-	-	-	-	-	-	2,587,200	-
Total (B)	**30,100,961**	**54,765,681**	**22,480,635**	**6,080,950**	**25,574,782**	**9,117,772**	**3,607,210**	**7,648,796**
Others (Significant influence)								
HCL Infosystems Limited	43,599	-	721,241	17,980	-	-	-	-
Total (C)	**43,599**	**-**	**721,241**	**17,980**	**-**	**-**	**-**	**-**
Total (A+B+C)	**79,206,728**	**449,396,234**	**129,829,682**	**321,658,123**	**188,035,832**	**336,684,744**	**455,211,644**	**7,648,796**

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(All amounts in ₹)

d) Outstanding balances with related parties

Particulars	Loans and advances		Loan taken		Interest receivable		Liability for expenses	
	As at June 30,		As at June 30,		As at June 30,		As at June 30,	
	2013	2012	2013	2012	2013	2012	2013	2012
Holding Company								
HCL Technologies Limited (refer note no. 2.40)	833,940,525	1,019,716,880	4,128,451,774	4,130,511,646	5,459,178	5,444,262	41,767,990	89,108
Total (A)	**833,940,525**	**1,019,716,880**	**4,128,451,774**	**4,130,511,646**	**5,459,178**	**5,444,262**	**41,767,990**	**89,108**
Fellow Subsidiaries								
HCL America Inc.	-	1,003,995	-	-	-	-	981,954	1,695,225
HCL Great Britain Limited	-	-	-	-	-	-	355,662	626,838
Others	1,250,163	625,859	-	-	-	-	-	796,005
Total (B)	**1,250,163**	**1,629,854**	-	-	-	-	**1,337,616**	**3,118,068**
Total (A+B)	**835,190,688**	**1,021,346,734**	**4,128,451,774**	**4,130,511,646**	**5,459,178**	**5,444,262**	**43,105,606**	**3,207,176**

d) Outstanding balances with related parties

Particulars	Capital accounts payable		Capital advance given		Supplier credit	
	As at June 30,		As at June 30,		As at June 30,	
	2013	2012	2013	2012	2013	2012
Holding Company						
HCL Technologies Limited (refer note no. 2.40)	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-
Fellow Subsidiaries						
HCL America Inc.	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-
Others (Significant influence)						
HCL Infosystems Limited	45,109	44,356	854,029	854,029	25,469,459	-
Total (C)	**45,109**	**44,356**	**854,029**	**854,029**	**25,469,459**	-
Total (A+B+C)	**45,109**	**44,356**	**854,029**	**854,029**	**25,469,459**	-

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2.27 Commitments and contingent liabilities

(a)

	As at	
	June 30 , 2013	**June 30 , 2012**
i) Capital and other commitments		
Estimated amount of unexecuted capital contracts	2,603,437	5,819,835
(Net of advances)	-	-
	2,603,437	**5,819,835**
ii) Contingent Liabilities		
Sales Tax demand (refer note below)	12,267,047	10,318,840
	12,267,047	**10,318,840**

These claims are being contested in the courts by the Company. The management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognized in the financial statements.

(b) Bank guarantees of ₹ 174,890,320 (Previous year ₹ 106,189,720). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the Company fulfilling its ordinary commercial obligations.

(c) During the year ended June 30, 2013 the Company has negotiated extended interest bearing credit terms with certain vendors and issued ` 29,799,774 of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.2% to 10.0%

The company also has letter of credit amounting ` 2,539,114 outstanding for year ended June 30, 2013 in other normal course of business.

2.28 The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions are accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.28 Segment reporting

In the opinion of the management, networking solutions is the only business segment of the Company and the Company majorly operates in a single geographical segment and hence there are no reportable segments as envisaged in Accounting Standard (AS)-17 'Segment Reporting' notified by Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, no disclosures for segmental reporting have been included in the financial statements.

2.30 HCL Technologies Limited, the holding company, ((Ultimate holding company up to March 31, 2012 (refer note no. 2.40)) has issued employee stock options to the employees of the Company. The cost incurred by the holding company for issuing such options is ₹ 21,124,822 (Previous year ₹ 27,341,231).

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2.31 As of balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 256,773,547 (Previous year ₹ 75,337,581).

2.32 Movement in provision for warranty is as follows:

	Year ended	
	June 30 , 2013	June 30 , 2012
Balance at the beginning of the year	5,575,853	6,534,100
Additional provision during the year	-	-
Reduction due to utilization and write back of excess provision*	-	958,247
Closing provision	**5,575,853**	**5,575,853**

*calculated on estimated basis

2.33 Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the year ended June 30, 2013		For the year ended June 30, 2012	
	Principal	Interest	Principal	Interest
Amount due to vendor	-	-	22,338	401
Principal Amoungt beyond the appointed date	-	-	-	-
Interset under normal credit terms:-				
Accrued and unpaid during the year	-	-	-	401
Total Interest payable :-				
Accrued and unpaid during the year	-	-	-	401

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.34 Employee Benefit Plans

The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans and State Plans

Employer's contribution to Employees State Insurance
Employer's contribution to Employee's Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended	
	June 30, 2013	June 30, 2012
Employer's contribution to Employee's state insurance	4,320,670	4,798,405
Employer's contribution to Employee's pension scheme	15,589,591	14,452,601
	19,910,261	**19,251,006**

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B. Defined Benefit Plans

a) Gratuity
b) Employers Contribution to Provident Fund

Gratuity

The Company has a unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table set out the status of the gratuity plan as required under AS 15 (Revised):

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Cost)

	Year ended	
	June 30, 2013	**June 30, 2012**
Current service cost	11,307,502	7,956,445
Interest cost on benefit obligation	5,047,156	3,518,445
Expected return on plan assets	-	-
Net acturial loss recognized in the year	2,932,080	10,042,751
Past service cost	-	-
Net benefit expense	**19,286,738**	**21,517,641**

Balance Sheet

Details of provision for gratuity

	Year ended	
	June 30, 2013	**June 30, 2012**
Defined benefit obligations	66,838,242	57,128,324
Fair value of plan assets	-	-
	66,838,242	57,128,324
Less:unrecognized past service cost	-	-
Plan liability	**66,838,242**	**57,128,324**

Changes in present value of the defined benefit obligation are as follows:

	Year ended	
	June 30, 2013	**June 30, 2012**
Opening defined benefit obligation	57,128,324	39,701,843
Current service cost	11,307,502	7,956,445
Interest cost	5,047,156	3,518,445
Acturial loss on obligation	2,932,080	10,042,751
Benefits paid	(9,576,820)	(4,091,160)
Closing defined benefit obligation	**66,838,242**	**57,128,324**

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The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended	
	June 30, 2013	June 30, 2012
Discount rate	7.45%	8.05%
Estimated rate of salary increases	7%	7%
Employee turnover	17%	18%
Expected rate of return on assets	NA	NA

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The following table set out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended				
	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009
Defined benefit obligations	66,838,242	57,128,324	39,701,843	38,505,810	37,891,502
Experience adjustment on plan liabilities	219,227	6,261,385	(7,782,751)	(8,656,698)	5,940,772

Employers Contribution to Provident Fund

The Guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) states benefits involving employer established provident funds, which requires interest shortfall to be recompensed are to be considered as defined benefits plans. The Company contributes to HCL Comnet System & Services Limited and HCL Comnet Limited Employee Trust which is maintained jointly by HCL Comnet Systems & Services Limited, fellow subsidiary (Holding company till March 31, 2012, refer note 2.40) and HCL Comnet Limited. The disclosures of plan assets cannot be provided as the plan asset are not attributable to the Company only. The actuary has accordingly provided a valuation and there is no shortfall as at June 30, 2013.

Assumptions used in determining the present value obligation of interest rate guarantee under the Deterministic Approach

	Year ended	
	June 30, 2013	June 30, 2012
Government of India (GOI) bond yield	7.95%	8.05%
Remaning term of maturity	9.18 years	9.94 years
Expected guaranteed interest rate	8.50%	9.48%

During the year ended June 30, 2013, the Company has contributed ₹ 24,430,456 (Previous year ₹ 23,220,745) towards Employers' contribution to the Provident Fund.

S.R. Batliboi & As... Gurgaon

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2013
(All amounts in ₹ except share data and unless otherwise stated)

2.35 Particulars of purchases, sales and closing stock of trading goods:

ITEMS	Opening Stock Value (₹)	Purchases Value (₹)	Sales Value (₹)	Closing Stock Value (₹)
SATELITE COMMUNICATION EQUIPMENT				
Basic VSAT Equipment	5,045,582	25,777,824		5,141,669
	(5,946,820)	**(45,005,241)**		**(5,045,582)**
Antenna	2,545,931	7,509,375	70,062,467	361,059
	(2,891,773)	**(10,861,026)**	**(115,929,689)**	**(2,545,931)**
Others	4,083,046	30,830,100		2,388,582
	(6,344,963)	**(31,651,734)**		**(4,083,046)**
DATA COMMUNICATION EQUIPMENT				
Router	17,253,846	458,172,322		27,675,184
	(25,113,395)	(458,197,993)		**(17,253,846)**
Others	96,937,227	859,136,118	1,528,927,950	146,941,104
	(193,411,378)	**(606,240,175)**	**(1,421,391,191)**	**(96,937,227)**
CCO	83,954,459	105,020,518	-	70,984,269
	(24,090,411)	**(335,362,692)**	-	**(83,954,459)**
OTHERS	81,555,517	744,359,205	1,061,735,725	94,696,207
	(21,083,439)	**(764,729,272)**	**(976,668,047)**	**(81,555,517)**
TOTAL	291,375,608	2,230,805,462	2,660,726,141	348,188,074
	(278,882,179)	**(2,252,048,132)**	**(2,513,988,927)**	**(291,375,608)**

Note: Previous year figure are given in brackets.

S.R. Batliboi & Associates LLP * Gurgaon *

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2013
(All amounts in ₹ except share data and unless otherwise stated)

2.36 CIF value of imports

	Year ended	
	June 30, 2013	**June 30, 2012**
Capital goods	9,883,617	11,452,140
Trading Goods	390,393,726	736,361,272
	400,277,343	**747,813,412**

2.37 Auditors' remuneration *

	Year ended	
	June 30, 2013	**June 30, 2012**
As auditor's		
Statutory audit	1,300,000	1,300,000
Tax Audit Fees	200,000	200,000
	1,500,000	**1,500,000**

*excluding service tax

2.38 Expenditure in foreign currency (on accrual basis)

	Year ended	
	June 30, 2013	**June 30, 2012**
Cost of network installation, software services and other services		
Annual maintenance contracts	365,397,845	307,130,383
Consulting charges	59,894,461	23,924,860
Travel and Conveyance	23,475,161	23,832,028
Other project cost	46,205,287	442,196
Others	22,900,699	19,360,729
	517,873,453	**374,690,196**

2.39 Earnings in foreign currency (on accrual basis)

	Year ended	
	June 30, 2013	**June 30, 2012**
Sale of Material	1,097,396	281,984,624
Service Income (refer note 2.41)	(211,059,411)	129,702,535
Commission	-	26,880,635
	(209,962,015)	**438,567,794**

S.R. Batliboi & Associates LLP * Gurgaon *

2.40 In accordance with the Scheme of arrangement ("Scheme") between HCL Technologies Limited, HCL Comnet Systems & Services Limited and their respective shareholder and creditors under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, effective from May 17, 2013 being the date of filing of the said order with the Office of Registrar of Companies, NCT of Delhi & Haryana, the IT enabled services division ("Demerged undertaking") of HCL Comnet System & Services Limited (HCLSSL), holding company was demerged and transferred to HCL Technologies Limited (HCLT), ultimate holding company on going concern basis with effect from 1 April 2012, being the appointed date, along with all assets, liabilities rights, duties and powers. This resulted in transfer of ownership of shareholding of the Company from erstwhile holding company HCL Comnet System & Service Limited to its ultimate holding company HCL Technologies Limited.

Accordingly, transactions with the related party during the period April-June'12 has also been re-classified from HCL Comnet Systems & Services Limited to HCL Technologies limited in the previous year ended June 30, 2012.

2.41 Revenue of previous year reversed during current financial year and its impact on earnings per share

During the year, Company has reversed the revenue of ₹ 413,430,206 related to previous year being amount of revenue over invoiced to a fellow subsidiary. Correspondingly the Company has also reversed the tax provision related to such adjustment of ₹ 134,137,430.

	June 30, 2013
Net Profit as per statement of profit and loss for computation of EPS	330,532,370
Adjusted : Revenue reversal impact (net of taxes)	279,292,776
Profit for the year after impact of revenue reversal (net of taxes)	609,825,146
Weighted average number of shares outstanding in computation of EPS	949,900
Nominal value of equity share (In ₹)	10
Earning per equity share (in ₹) computed on the basis of profit for the year as per statement of profir and loss	
- Basic and Diluted (In ₹)	347.97
Earning per equity share (in ₹) computed on the basis of profits for the year after adjusting prior period revenue reversal (net of taxes)	
- Basic and Diluted (In ₹)	641.99

S.R. Batliboi & Associates LLP
Gurgaon

HCL Comnet Limited
Notes to financial statements for the year ended June 30, 2013
(All amounts in ₹ except share data and unless otherwise stated)

2.42 Other arrangements

(i) The Company is availing fund and non–fund based credit facilities from banks aggregating ₹ 3,142,800,000 (previous years: ₹ 2,480,000,000 which was jointly enjoyed with HCL Comnet Systems & Services Limited (Holding company up to March 31, 2012 and fellow subsidiary w.e.f April 1, 2012), (refer note no. 2.40)

Out of above credit facilities from banks a sum of ₹ 1,850,000,000 are secured by a pari-passu first charge on the book-debts, stocks and other current assets with a pari-passu second charge on the fixed assets of the Company consisting of moveable assets.

(ii) The Company has given ₹ Nil (previous year ₹ 2,480,000,000) corporate guarantees to various banks in respect of fund based and non-fund based bank limit taken by HCL Comnet Systems and Services Limited, (holding company up to March 31, 2012 and fellow subsidiary from April 1, 2012 , refer note no. 2.40).

2.43 Previous year comparatives

The previous year's figures have been re-classified/re-grouped to conform to current year's classification.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership Number: 094941

S.R. Batliboi & Ass... Gurgaon

Gurgaon, India
August 30, 2013

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
August 30, 2013

HCL COMNET LIMITED

INDIAN - GAAP

STANDALONE FINANCIAL STATEMENT

For the year ended June 30, 2014

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Comnet Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HCL Comnet Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

(e) On the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Yogesh Midha
Partner
Membership Number: 094941

Place of Signature: Gurgaon, India
Date: 19/09/2014

Annexure referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date
Re: HCL Comnet Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification and all non-usable assets identified during physical verification have been appropriately accounted for in books of account.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the Company in respect of these areas.

(v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

(vi) The Company has not accepted any deposits from the public.

(vii) The Company is covered as part of the internal audit function operated by its parent company, which is commensurate with the size of the Company and the nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases*. The provisions relating to investor education and protection fund and excise duty are not applicable to the company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(d)

Name of the Statute	*Nature of Dues*	*Amount (Rs)*	*Period to which the amount relates*	*Forum where dispute is pending*
Income Tax Act, 1961	On account expense relating to exempt income	36,317	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	On account of Goods and services written off on presumptive basis and expense relating to exempt income	27,932,574	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	On account of Goods and services written off on presumptive basis, non-confirmation of customer balances and expenses relating to exempt income	9,524,816	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	On account of Goods and services written off on presumptive basis, non-confirmation of customer balances and expenses relating to exempt income	27,263,720	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	On account expenses on leasehold improvement and expenses relating to exempt income	28,570,955	2004-05	Income Tax Appellate Tribunal

Name of the Statute	*Nature of Dues*	*Amount (Rs)*	*Period to which the amount relates*	*Forum where dispute is pending*
Income Tax Act, 1961	On account expenses on leasehold improvement and expenses relating to exempt income	3,291,531	2004-05	Commissioner of Income Tax (Appeals)
Karnataka Value added Tax Act, 2003	On account of additional sales tax demand	22,402,093	2006-07	Joint Commissioner (Appeals)
Central Sales Tax Act, 1956	On account of non-availability of Form C	532,345	2007-08	Assistant Commissioner (Appeals)
West Bengal Value added Tax Act, 2003	On account of additional sales tax demand	105,972	2007-08	Joint Commissioner Sales Tax
Central Sales Tax Act, 1956	On account of non-availability of Form C	382,914	2008-09	Assistant Commissioner (Appeals)
Central Sales Tax Act, 1956	On account of non-availability of Form C	1,190,097	2009-10	Assistant Commissioner (Appeals)
West Bengal Value added Tax Act, 2003	On account of additional sales tax demand	49,000	2009-10	Joint Commissioner Sales Tax
Central Sales Tax Act, 1956	On account of non-availability of Form C	788,478	2010-11	Assistant Commissioner (Appeals)
West Bengal Value added Tax Act, 2003	On account of additional sales tax demand	913,364	2005-06	Joint Commissioner Sales Tax

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not issued any debentures and has not defaulted in repayment of dues to a financial institution or bank.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W

per Yogesh Midha
Partner
Membership Number: 94941
Place of Signature: Gurgaon
Date: 19/09/2014

HCL Comnet Limited
Balance Sheet as at June 30, 2014
(All amounts in ₹)

	Note No.	As at June 30, 2014	As at June 30, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	9,499,000	9,499,000
(b) Reserves and surplus	2.2	1,900,123,695	1,734,809,229
		1,909,622,695	1,744,308,229
(2) Non - current liabilities			
(a) Long-term borrowings	2.3	4,958,095	59,527,655
(b) Other long-term liabilities	2.4	339,894,984	128,524,747
(c) Long term provisions	2.5	47,423,862	60,826,682
		392,276,941	248,879,084
(3) Current liabilities			
(a) Short term borrowings	2.6	-	4,128,451,774
(b) Trade payables	2.7	396,322,690	731,893,461
(c) Other current liabilities	2.7	3,989,461,399	2,889,845,287
(d) Short term provisions	2.8	39,855,464	47,647,847
		4,425,639,553	7,797,838,369
TOTAL		6,727,539,189	9,791,025,682
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.9	175,674,911	206,936,392
(ii) Intangible assets	2.9	290,419	1,605,565
(iii) Capital work in progress		3,909,755	3,171,166
		179,875,085	211,713,123
(b) Deferred tax assets (net)	2.10	396,568,567	428,175,928
(c) Long term loans and advances	2.11	1,154,195,371	850,049,321
(d) Other non-current assets	2.12	76,644,687	41,070,614
		1,807,283,710	1,531,008,986
(2) Current Assets			
(a) Current investments	2.13	580,005,047	1,811,946,819
(b) Inventories	2.14	156,823,434	387,875,925
(c) Trade receivables	2.15	2,254,576,563	1,473,612,409
(d) Cash and bank balances	2.16	924,867,653	2,265,732,177
(e) Short - term loans and advances	2.17	615,525,826	1,702,889,106
(f) Other current assets	2.18	388,456,956	617,960,260
		4,920,255,479	8,260,016,696
TOTAL		6,727,539,189	9,791,025,682
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per YOGESH MIDHA
Partner
Membership Number: 94941

Gurgaon, India
Date: 19/09/2014

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: 19/09/2014

HCL Comnet Limited
Statement of Profit and Loss for the year ended June 30 ,2014
(All amounts in ₹ except share data unless otherwise stated)

	Note No.	Year ended June 30, 2014	Year ended June 30, 2013
Income			
Revenue from operations	2.19	5,466,023,115	5,613,062,811
Other income	2.20	174,684,281	392,851,017
Total revenue		5,640,707,396	6,005,913,828
Expenses			
Purchases of stock-in-trade	2.35	1,480,387,290	2,230,805,462
Changes in inventories of stock-in-trade	2.21	427,811,041	(161,832,984)
Employee benefit expenses	2.22	1,159,657,479	1,333,264,034
Finance costs	2.23	113,513,637	45,618,431
Depreciation and amortization expense	2.9	58,219,294	163,427,419
Other expenses	2.24	2,154,338,953	1,943,724,915
Total expenses		5,393,927,694	5,555,007,277
Profit before tax		246,779,702	450,906,551
Provision for tax			
- current tax		(49,857,875)	(185,914,685)
- deferred tax (expense) / credit		(31,607,361)	65,540,504
Net current tax		(81,465,236)	(120,374,181)
Profit for the year		165,314,466	330,532,370
Earnings per equity share of par value ₹ 10 each (computed on the basis of profit for the year)	2.40		
Basic and Diluted (₹)		174.03	347.97
Computed on the basis of profits for the year adjusted for revenue reversal of earlier year in previous year	2.40		
Basic and Diluted (₹)		174.03	641.99
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per YOGESH MIDHA
Partner
Membership Number: 94941

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Gurgaon, India
Date: 19/09/2014

Noida (UP), India
Date: 19/09/2014

HCL Comnet Limited
Cash flow statement
(All amounts in ₹)

	Year ended June 30, 2014	Year ended June 30, 2013
A. Cash flows from operating activities		
Profit before tax (after adjusting prior period item refer note 2.40)	246,779,702	864,336,757
Adjustment for:		
Depreciation and amortization expenses	58,219,294	163,427,419
Interest income	(62,578,525)	(329,165,201)
Dividend income	-	(32,753,017)
Interest expenses	98,831,525	28,687,458
Profit on sale of fixed assets	(150,311)	(595,819)
Profit on sale of investments	(73,832,253)	(10,566,628)
Provisions no longer required written back	(5,575,853)	-
Provision for doubtful debts / bad debt written off	202,569,371	98,999,726
Provision for doubtful advances	4,786,530	3,895,667
Prior period item (refer note 2.40)	-	(413,430,206)
Operating profit before working capital changes	469,049,480	372,836,156
Movement in Working Capital		
(Increase) / decrease in trade receivables	(983,533,525)	40,861,225
(Increase) / decrease in loans and advances	(131,073,547)	(121,078,035)
(Increase) / decrease in other assets	177,201,407	(339,439,446)
(Increase) / decrease in inventories	231,052,491	(71,426,134)
Increase / (decrease) in liabilities and provisions	1,084,243,342	828,003,637
Cash generated from operations	846,939,649	709,757,403
Direct taxes paid (net of refunds)	(179,637,554)	(321,896,881)
Net cash from operating activities (A)	667,302,095	387,860,522
B. Cash flows from investing activities		
Investment in fixed deposits	(760,840,000)	(2,000,850,000)
Proceeds from maturity of fixed deposits	2,000,010,000	2,995,000,087
Purchase of investments in mutual funds	(4,935,000,000)	(3,690,753,017)
Investment in fellow subsidiaries	(80,000,000)	-
Proceeds from sale of mutual funds	6,320,774,028	2,793,460,703
Loans given to fellow subsidiaries	(47,000,000)	-
Proceeds from repayment of loans given to holding company	820,000,000	-
Deposits placed with body corporate	285,000,000	(355,000,000)
Purchase of fixed assets, including intangible assets, CWIP and capital adva	(729,479,051)	(22,994,387)
Advance against sale of building	720,000,000	-
Proceeds from sale of fixed assets	763,721	1,912,352
Dividend received	-	32,753,017
Interest received	80,146,349	319,439,947
Taxes paid	(20,467,296)	(60,927,137)
Net cash from investing activities (B)	3,653,907,750	12,041,565
C. Cash flows from financing activities		
Short term borrowings from holding company	-	4,128,451,774
Repayment of short term borrowings from holding company	(4,128,451,774)	(4,130,511,647)
Proceeds from long term borrowings	2,979,695	4,426,865
Repayment of long term borrowings	(195,145,847)	(279,680,276)
Principal payment on finance lease obligations	(1,101,083)	(1,872,180)
Interest paid	(100,345,360)	(30,887,431)
Net cash (used in) / from financing activities (C)	(4,422,064,369)	(310,072,895)
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	-
Net increase in cash and cash equivalents (A+B+C)	(100,854,524)	89,829,192
Cash and cash equivalents at the beginning of the year	265,722,177	175,892,985
Cash and cash equivalents at the end of the year as per note 2.16 (A)	164,867,653	265,722,177

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per YOGESH MIDHA
Partner
MEMBERSHIP NO. - 94941
Gurgaon, India
Date: 19/09/2014

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: 19/09/2014

Company Overview

HCL Comnet Limited was incorporated in India in August 2001 and focuses on providing technology services. The Company is providing data communication services which include trading of satellite and non satellite based communication equipments such as VSAT, Routers, switches, Modems etc, application operation services and services related to installation and maintenance of networking equipment. The Company is providing the services across Defense, Financial services, Government, Telecom, PSU's, Energy and utilities.

1. Summary of Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and are presented in the format prescribed under revised Schedule VI to the Companies Act, 1956 read with general circular 08/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs. These financial statements have been prepared to comply in all material aspects with the applicable accounting standards. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Revenue recognition

Revenue from sale of products is recognized when persuasive evidence of an arrangement exists, risk and reward of ownership has been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured. Revenue from installation services is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from infrastructure management services comprise income from time-and-material, and fixed price contracts.Revenue with respect to time-and-material contracts is recognized as related services are performed.Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Warranty costs on sale of goods and services are accrued based on management estimates and historical data at the time those related revenues are recognized.

Unearned income arising in respect of maintenance services is calculated on the basis of unutilized period of service at the balance sheet date and represents revenue, which is expected to be earned in future periods in respect of these services.

Revenues are shown net of value added tax, service tax and applicable discounts and allowances. The revenue is recognized net of discounts and allowances.

Products which are delivered and acceptance not received are considered as deferred cost.

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

d) **Tangibles fixed assets and capital work-in-progress**

Fixed assets are stated at the cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard or period of performance. All other expenses on the existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount are recognised in the Statement of Profit and Loss when the asset is derecognized.

Fixed assets under construction, and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

e) **Depreciation on tangible fixed assets**

Depreciation on fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rate which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on leasehold land over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

The management's estimates of the useful lives of the various tangible fixed assets for computing depreciation are as follows:

Fixed Asset	Life in Years
Leasehold land	Over the period of lease
Building	20
Plant and Machinery (including air conditioners and electric installation)	4 to 5
Office equipment	4
Computers	3
Furniture and fixtures	4
Vehicle - owned	5
Vehicle - leased	Over the period of lease or 5 years whichever is lower

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

The management's estimate of useful life of software is 3 years.

g) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) Leases

Where the Company is the lessor

Lease in which the company transfers substantially all the risk and benefits of ownership of the asset are classified as finance lease. Assets given under a finance lease are recognized as receivable at an amount equal to the net investment in the leases. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized immediately in the statement of profit & loss.

Leases in which the company does not transfers substantially all the risk and benefits of ownership assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit & loss on a straight line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit & loss. Initial direct cost such as legal cost, brokerage cost etc are recognized immediately in statement of profit and loss.

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of lease term at the lower of the fair value and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve constant rate of interest on the remaining balance liability. Finance charges are recognized as finance cost in the statement of profit and loss account. Lease management fees, legal charges and other initial cost initial indirect cost of lease are capitalized.

A leased asset is depreciated on a straight line basis over useful life of the assets or the useful life envisaged in schedule XIV to the Companies Act 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of lease term, capitalized assets is depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the leased term or the useful life envisaged in Section XIV of the Companies Act, 1956.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

i) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investment are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange of another assets, the acquisition is determined by reference to the fair value of the assets given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of investments, the difference between its carrying amount and net disposal is charged and credited to statement of profit and loss.

k) **Foreign currency translation**

i) **Initial Recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) **Exchange Differences**
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

l) **Taxation**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 (enacted in India). Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

m) **Retirement and other employee benefits**

i. Contributions to provident fund, a defined benefit plan, are deposited with a Recognized Provident Fund Trust, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefits plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance Sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans: The Company's contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees' Pension Scheme are charged to the statement of profit and loss for each period of service rendered by the employees.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Borrowing cost

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing cost is expensed in the period they occur.

p) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable than an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

r) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and deposit with banks with an original maturity of three months or less.

2 Notes to financial statements

2.1 Share Capital

	As at	
	June 30, 2014	June 30, 2013
Authorized 1,100,000 (Previous year , 1,100,000) equity shares of ₹ 10 each	11,000,000	11,000,000
Issued, subscribed and fully paid up 949,900 (Previous year, 949,900) equity shares of ₹ 10 each fully paid up	9,499,000	9,499,000

The Company has only one class of shares issued referred to as equity shares having a par value of ₹ 10/- each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at			
	June 30, 2014		June 30, 2013	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Number of shares at the beginning	949,900	9,499,000	949,900	9,499,000
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	949,900	9,499,000	949,900	9,499,000

Shares held by holding / ultimate holding company and / or their subsidiaries/associates:

Out of equity shares issued by the company, shares held by its holding company, are as below:

	As at			
	June 30, 2014		June 30, 2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
HCL Technolgies Limited	949,900	100.00%	949,900	100.00%

Details of shareholders holding more than 5% shares in the company:-

	As at			
	June 30, 2014		June 30, 2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
HCL Technolgies Limited	949,900	100.00%	949,900	100.00%

As per the records of the company, including its register of shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during five years immediately preceding the reporting date.

2.2 Reserves and Surplus

	As at	
	June 30, 2014	June 30, 2013
Securities premium account		
Balance as at year end	539,940,000	539,940,000
	539,940,000	539,940,000
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,194,869,229	864,336,859
Profit for the year	165,314,466	330,532,370
Net surplus in statement of profit and loss	1,360,183,695	1,194,869,229
	1,900,123,695	1,734,809,229

2.3 Long term borrowings

	Non current portion		Current portion	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
(a) Secured				
From bank				
Long term loans (refer note 1 below)	3,675,137	4,199,799	1,238,630	1,034,445
From others				
Others (refer note 2 below)	-	7,613,062	7,613,064	130,538,181
Finance lease obligations (refer note 3 below)	-	208,216	203,302	1,096,169
(b) Unsecured				
Others (refer note 4 below)	1,282,958	47,506,578	46,535,471	61,619,347
Amount disclosed under the head" Other current liabilities" (note 2,7)			(55,590,467)	(194,288,142)
	4,958,095	59,527,655	-	-

Note:-

1. The Company has availed a term loan which secured by hypothecation of vehicles of ₹ 8,221,586 (previous year ₹ 7,464,370) at variable interest rates not exceeding interest rate of 11% (previous year : 11%).The same is repayable over a period of 5 years (previous year over a period of 5 years) on monthly basis.

2. The other long term debts of ₹ 7,613,064 represents loan taken for purchase of plant and machinery (previous year ₹ 138,151,243) at an interest ranging from 0% to 6.79% secured by hypothecation of gross block of plant and machinery of ₹ 130,364,088 (previous year ₹ 814,900,371). The loan is repayable till July 2014.

3. Obligation under finance lease is secured by vehicle taken on lease.

4. The other long term debts of ₹ 47,818,429 represents loan taken for purchase of plant and machinery (previous year ₹ 109,125,925) at an interest ranging from 0% to 6.79% .The loan is repayable till July 2015.

2.4 Other long term Liabilities

	As at	
	June 30, 2014	June 30, 2013
Deposit from customers	46,780,000	50,400,000
Income received in advance	293,114,984	78,124,747
	339,894,984	128,524,747

2.5 Long term provisions

	As at	
	June 30, 2014	June 30, 2013
Provision for employee benefits		
Provision for gratuity (refer note 2.34)	47,423,862	55,250,829
	47,423,862	55,250,829
Provision for Warranty (refer note 2.32)	-	5,575,853
	47,423,862	60,826,682

2.6 Short term borrowings

	As at	
	June 30, 2014	June 30, 2013
Unsecured		
From Holding company (refer note 2.26(d))	-	4,128,451,774
	-	4,128,451,774

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2014

(All amounts in ₹ except share data and unless otherwise stated)

2.7 Trade payables and other current liabilities

	As at	
	June 30, 2014	June 30, 2013
Trade Payables (refer note 2.33 for details of dues to micro and small enterprises)	381,344,881	602,063,779
Trade Payables - related parties (refer note 2.26(d))	14,977,809	129,829,682
	396,322,690	731,893,461
Other current liabilities		
Capital Accounts Payables	22,188,650	6,423,501
Capital Accounts payables-related parties (refer note 2.26(d))	44,356	45,109
Current maturities of long term borrowings (refer note 2.3)	55,590,467	194,288,142
Interest accrued but not due on borrowings	115,080	1,628,915
Advance received from customers	186,800,250	182,173,314
Deposit from customers	81,569,174	111,726,358
Income received in advance	1,042,531,101	854,186,455
Income received in advance - related parties (refer note 2.26(d))	64,417,890	188,035,832
Accrued salaries and benefits		
Employee bonuses accrued	49,284,529	90,920,249
Other employee costs	20,423,027	26,915,182
Other liabilities		
Liabilities for expenses	530,673,906	289,091,602
Liabilities for expenses - related parties (refer note 2.26(d))	52,389,031	43,105,606
Supplier credit	1,075,689,201	810,626,811
Supplier credit-related party (refer note no. (2.26d))	51,149,647	25,469,459
Withhoding and other taxes payable	36,595,089	48,375,770
Advance against sale of building (refer note 2.26(d))	720,000,000	-
Service tax payable	-	16,832,982
	3,989,461,399	2,889,845,287

2.8 Short term provisions

	As at	
	June 30, 2014	June 30, 2013
Provision for employee benefits		
Provision for gratuity (refer note 2.34)	9,432,213	11,587,413
Provision for compensated absences	30,423,251	36,060,434
	39,855,464	47,647,847

HCL Comnet Limited

Notes to Financial Statements

(All amounts in ₹)

2.9 Fixed Assets

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	As at July 1, 2013	Additions	Deletions/ adjustments*	As at June 30, 2014	As at July 1, 2013	Charge for the year	Deletions/ adjustments*	As at June 30, 2014	As at June 30, 2014	As at June 30, 2013
Tangible Assets										
Leasehold land	54,234,221	-	-	54,234,221	7,226,116	797,085	-	8,023,201	46,211,020	47,008,105
Building	147,028,995	-	29,861	146,999,134	56,341,427	7,351,057	16,129	63,676,355	83,322,779	90,687,568
Plant and machinery	1,189,602,669	394,862	9,814,605	1,180,182,926	1,160,141,960	16,025,172	2,756,352	1,173,410,779	6,772,147	29,460,709
Office Equipment	101,758,891	4,808,178	46,150,866	60,416,202	94,360,709	3,389,621	53,162,727	44,587,603	15,828,599	7,398,182
Computers	223,266,136	18,819,148	103,957,102	138,128,182	201,109,556	25,261,774	103,957,102	122,414,228	15,713,954	22,156,580
Furniture and fittings	66,126,767	642,599	10,953,173	55,816,193	63,409,410	1,611,000	10,953,173	54,067,237	1,748,956	2,717,357
Vehicles - owned	10,268,427	1,591,292	834,076	11,025,643	4,183,826	1,642,570	297,472	5,528,925	5,496,717	6,084,601
- leased	5,303,317	-	376,416	4,926,901	3,880,027	825,869	359,734	4,346,162	580,739	1,423,290
Total (A)	**1,797,589,423**	**26,256,079**	**172,116,099**	**1,651,729,402**	**1,590,653,031**	**56,904,148**	**171,502,689**	**1,476,054,490**	**175,674,911**	**206,936,392**
Intangible										
Software	109,798,509	-	-	109,798,509	108,192,944	1,315,146	-	109,508,090	290,419	1,605,565
Total (B)	**109,798,509**	-	-	**109,798,509**	**108,192,944**	**1,315,146**	-	**109,508,090**	**290,419**	**1,605,565**
Total (A)+(B)	**1,907,387,932**	**26,256,079**	**172,116,099**	**1,761,527,911**	**1,698,845,975**	**58,219,294**	**171,502,689**	**1,585,562,580**	**175,965,330**	**208,541,957**
June 30, 2013	1,896,549,514	21,468,607	10,630,189	1,907,387,932	1,544,732,212	163,427,419	9,313,656	1,698,845,975	208,541,957	351,817,302

* Include gross block and accumulated depreciation of ₹ 163,286,628 (previous year ₹ Nil) and ₹ 163,226,504 (previous year ₹ Nil) respectively on accounts of asset discarded from active use.

2.10 Deferred tax assets (net)

	As at	
	June 30, 2014	June 30, 2013
Deferred tax assets:		
Accrued employee costs	30,341,797	45,542,860
Provision for doubtful debts and advances	156,668,395	186,394,696
Depreciation and amortization	188,800,272	210,617,956
Leased vehicles	69,102	59,011
Others	25,901,721	3,038,842
Gross deferred tax assets (A)	**401,781,287**	**445,653,365**
Deferred tax liabilities		
Assets given on finance lease	5,212,720	17,477,437
Gross deferred tax liabilities (B)	**5,212,720**	**17,477,437**
Net deferred tax assets (A-B)	**396,568,567**	**428,175,928**

2.11 Long term loans and advances

	As at	
	June 30, 2014	June 30, 2013
Unsecured , considered good		
Capital advances	-	897,192
Capital advances-related parties (refer note 2.26(d))	-	854,029
Security deposits	70,072,437	79,483,943
Finance lease receivables (refer note 2.25(iii))	319,133,311	129,167,574
Advance fringe benfefit tax (refer note 2 below)	481,688	481,688
Advance Income Tax (refer note 1 below)	506,718,829	356,471,854
Prepaid expenses	257,789,106	282,693,041
	1,154,195,371	**850,049,321**
Unsecured , considered doubtful		
Loan and advances to others	30,795,933	26,664,575
Less: Provision for doubtful advances	(30,795,933)	(26,664,575)
	1,154,195,371	**850,049,321**

Note 1: Net of Income tax provision of ₹ 988,899,778 (Previous year: ₹ 939,079,420)
Note 2: Net of fringe benefit advance tax ₹ 34,052,862 (Previous year ₹ 34,052,862)

2.12 Other non-current assets

	As at	
	June 30, 2014	June 30, 2013
Unsecured considered good unless otherwise stated		
Deferred cost	75,804,687	40,230,614
Bank deposit more than 12 months	840,000	840,000
	76,644,687	**41,070,614**

Note: Pledged with banks as security for guarantees ₹ 8,40,000 (Previous year: ₹ 8,40,000)

2.13 Current Investments

Particulars	As at	
	June 30, 2014	June 30, 2013
Non-current investments- at cost		
In fellow subsidiary company, trade (unquoted), fully paid up preference shares capital		
8,00,000 (previous year nil) 8% cumulative redeemable non-convertible preference share of ₹. 100 each in HCL Comnet System & Services Ltd. (refer note no. 2.26(C)	80,000,000	-
Current investments (At lower of cost and fair value non trade and unquoted)		
Investment in mutual fund	500,005,047	1,811,946,819
	580,005,047	1,811,946,819

Details of Investments in mutual funds - Non trade and unquoted:-

	Face Value	Balance as at June 30, 2014		Balance as at June 30,2013	
		Units	Amount	Units	Amount
Daily Dividend					
DSP BlackRock Liquidity Fund-IP-Growth	1000	-	-	260,451	433,973,655
HDFC Liquid Fund Growth	10	-	-	6,716,307	155,837,583
ICICI Prudential Liquid Super Inst Plan-Growth	100	2,597,855	500,005,047	1,471,026	257,190,612
SBI Premier Liquid Fund Super IP-Growth	1000	-	-	109,111	202,565,359
TATA Liquid Fund-Plan A-Growth	1000	-	-	165,124	356,568,381
UTI Liquid Fund-Cash Plan-Growth	1000	-	-	207,044	405,811,229
Total		-	500,005,047	-	1,811,946,819

2.14 Inventories

	As at	
	June 30, 2014	June 30, 2013
Stock in trade	141,830,849	348,188,074
Goods in transit	13,385,251	38,160,693
Stores and spares	1,607,334	1,527,158
	156,823,434	387,875,925

2.15 Trade receivables (Unsecured)

	As at	
	June 30, 2014	June 30, 2013
(a) Considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	187,918,402	184,737,395
Unsecured, considered doubtful	423,296,682	516,796,825
	611,215,084	701,534,220
Provision for doubtful receivables	(423,296,682)	(516,796,825)
Total (A)	187,918,402	184,737,395
(b) Other receivables		
Unsecured, considered good	2,066,658,161	1,288,875,014
Total (B)	2,066,658,161	1,288,875,014
Total (A)+(B)	2,254,576,563	1,473,612,409

Note: Include receivable from related parties amounting to ₹ 330,617,093 (Previous year: ₹79,206,728) refer note 2.26(d).

2.16 Cash and bank balances

	As at	
	June 30, 2014	June 30, 2013
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	126,946,550	259,057,391
Cheque in hand	37,458,850	2,819,963
Remittances in transit	462,253	3,844,823
Total (A)	164,867,653	265,722,177
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	760,000,000	2,000,010,000
Deposits with original maturity of more than 12 months	840,000	840,000
	760,840,000	2,000,850,000
Amount disclosed under other non-current assets (refer note 2.12)	(840,000)	(840,000)
Total (B)	760,000,000	2,000,010,000
Total (A+B)	924,867,653	2,265,732,177

2.17 Short-term loans and advances

	As at	
	June 30, 2014	June 30, 2013
Unsecured , considered good ;		
Loan and advances related party (refer note 2.26(d))	53,619,216	835,190,688
Others		
Security deposits	6,098,637	1,822,908
Intercorporate deposits with HDFC Limited	70,000,000	355,000,000
Finance lease receivables (refer note 2.25(iii))	63,727,934	62,582,402
Advance to suppliers	8,679,870	25,041,880
Prepaid expenses	396,932,103	419,790,219
Service tax receivable	15,821,689	-
Other loans and advances	646,377	3,461,009
	615,525,826	**1,702,889,106**
Unsecured , considered doubtful		
Loans and advances to employees	6,141,965	4,172,159
Loans and advances to others	1,245,068	1,245,068
	7,387,033	5,417,227
Less: Provision for doubtful advances	(7,387,033)	(5,417,227)
	615,525,826	1,702,889,106

2.18 Other current assets

	As at	
	June 30, 2014	June 30, 2013
Unbilled revenue	21,837,649	14,820,565
Unbilled revenue-related parties (refer note 2.26(d))	50,379,337	455,211,644
Deferred cost	298,471,617	112,591,874
Interest receivable	17,455,449	29,876,999
Interest receivable-related parties (refer note 2.26(d))	312,904	5,459,178
	388,456,956	617,960,260

2.19 Revenue from operations

	Year ended	
	June 30, 2014	June 30, 2013
Sale of hardware and software	2,513,414,294	2,660,726,141
Sale of services	2,952,608,821	2,952,336,670
	5,466,023,115	5,613,062,811

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2014
(All amounts in ₹ except share data and unless otherwise stated)

2.20 Other Income

	Year ended	
	June 30, 2014	June 30, 2013
Interest income		
- On fixed deposits	60,408,415	255,466,850
- Others	2,170,110	73,698,351
Profit on sale of current investments	73,832,253	10,566,628
Dividends from current investments	-	32,753,017
Provision no longer required written back	5,575,853	-
Profit on sale of fixed assets	150,311	595,819
Miscellaneous income	32,547,339	19,770,352
	174,684,281	392,851,017

2.21 Changes in inventories of stock-in-trade

	Year ended			
		June 30, 2014		June 30, 2013
A. Changes in Inventories of Stock in Trade				
At end of the year	141,830,849		348,188,074	
At beginning of the year	348,188,074	206,357,225	291,375,608	(56,812,466)
B. Movement in Deferred cost				
At end of the year	374,276,304		152,822,488	
At beginning of the year	152,822,488	221,453,816	257,843,006	(105,020,518)
Total (A+B)		**427,811,041**		**(161,832,984)**

2.22 Employee benefit expenses

	Year ended	
	June 30, 2014	June 30, 2013
Salaries, wages and bonus	1,089,966,718	1,241,878,497
Gratuity	10,147,140	19,286,738
Contribution to provident fund and other funds	39,817,292	44,400,913
Staff welfare expenses	19,726,329	27,697,886
	1,159,657,479	1,333,264,034

2.23 Finance cost

	Year ended	
	June 30, 2014	June 30, 2013
Interest		
-on loan from bank	927,877	644,749
-on leased assets	87,087	222,981
-others	97,816,561	27,819,728
Bank charges	14,682,112	16,930,973
	113,513,637	45,618,431

2.24 Other expenses

	Year ended	
	June 30, 2014	June 30, 2013
Rent	80,271,378	79,774,500
Power and fuel	9,266,560	28,208,248
Insurance	3,857,163	4,560,314
Cost of network installation, software and other services	1,394,837,809	1,302,366,951
Repairs and maintenance		
- Plant and machinery	20,038,648	5,560,461
- Buildings	14,477,409	8,704,159
- Others	39,886,388	49,982,669
Communication costs	45,886,615	32,671,753
Books and periodicals	1,012,978	861,879
Travel and conveyance	134,089,893	133,582,932
Freight and forwarding charges	65,378,798	32,968,399
Business promotion	13,873,553	6,197,773
Legal and professional charges (refer note 2.37)	20,685,859	17,026,414
Software license fee	59,068,692	19,017,666
Printing and stationery	6,909,505	7,550,801
Rates and taxes	14,054,986	16,048,390
Recruitment, training and development	9,696,756	25,416,132
Provision for doubtful debts / bad debt written off	202,569,371	98,999,726
Provision for doubtful advances	4,786,530	3,895,667
Exchange differences (net)	8,436,789	62,140,450
Miscellaneous expenses	5,253,272	8,189,631
	2,154,338,953	1,943,724,915

2.25 Leases

i) Finance leases: In case assets taken on lease

The Company has acquired vehicles on finance leases. Total minimum lease payments and maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total Minimum Lease payment outstanding June 30, 2014	Interest included in minimum lease payments June 30, 2014	Present value of minimum lease payment June 30, 2014
Not Later than one year	215,524 (1,201,284)	12,222 (105,115)	203,302 (1,096,169)
Later than one year and not later than five year	- (223,437)	- (15,221)	- (208,216)
	215,524	12,222	203,302
	(1,424,721)	(120,336)	(1,304,385)

Previous year figures are in bracket.

ii) Operating Leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense relating to real estate recognised in the statement of profit and loss for the year is ₹ 78,188,453 (previous year ₹ 79,545,698). The escalation amount of operating lease payable in future years and accounted for by the company is ₹ 8,701,043 (previous year ₹ 6,744,073). Future minimum lease payments and payment profile of non-cancellable operating leases are 41,011,916 (previous year nil)

	Year ended June 30, 2014	Year ended June 30, 2013
Not Later than one year	10,070,250	-
Later than one year and not later than five year	30,941,666	-
	41,011,916	-

iii) Finance Leases: In case of assets given on lease

The Company has given networking equipment to its customers on finance lease basis. The total minimum lease payment receivables and maturity profile of finance leases at the Balance Sheet date, element of interest included in such receipts, and present value of minimum lease payment receivable are as follows:

	Total Minimum Lease payment outstanding	Interest included in minimum lease payments	Present value of minimum lease payment
Not Later than one year	98,378,044	34,650,110	63,727,934
	(84,172,882)	(21,590,480)	(62,582,402)
Later than one year and not later than five year	319,807,213	70,291,788	249,515,425
	(121,444,556)	(33,656,043)	(87,788,513)
Later than five year	74,023,996	4,406,110	69,617,886
	(45,578,621)	(4,199,560)	(41,379,061)
	492,209,253	109,348,008	382,861,245
	(251,196,059)	(59,446,083)	(191,749,976)

Previous year figures are in brackets.

2.26 Related party transactions

a) **Related parties where control exists**
HCL Technologies Limited, Holding company

b) **Related parties with whom transactions have taken place during the year**

Holding company
HCL Technologies Limited

Fellow subsidiaries
HCL America Inc., USA
HCL Great Britain Limited, UK
HCL GmbH
HCL Sweden AB
HCL Belgium NV
HCL Technologies Norway AS
HCL (Netherlands) B.V
HCL Singapore Pte Limited
HCL Australia Ser Pty Ltd
HCL Technologies Canada Inc
HCL Technologies (Shanghai) Limited
HCL Axon (Pty) Limited
HCL Global processing services Limited
Axon Solutions Sdn Bhd
Axon Solutions Limited
HCL Comnet systems & services Limited
HCL Technologies solutions Limited

Others (significant influence)

HCL Infosystems Limited
HCL Infotech Limited
Digilife Distribution & Marketing Services Limited
Shiv Nadar Foundation
HCL Services Limited
Statestreet HCL Services (India) Private Limited

HCL Comnet Limited
Notes to financial statements for the year ended June 30, 2014
(All amounts in ₹)

c) Transactions with related parties during the year in the ordinary course of business:

Particulars	Revenues		Outsourcing costs		Purchase of capital equipment		Other expenses	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Holding Company								
HCL Technologies Limited	416,564,934	924,493,669	1,921,175	37,948,013	-	-	5,132,747	-
Total (A)	416,564,934	924,493,669	1,921,175	37,948,013	-	-	5,132,747	-
Fellow Subsidiaries								
HCL America Inc. (refer note no 2.40)	47,118,008	(314,640,048)	8,163,657	4,446,608	-	-	-	-
HCL Great Britain Limited	27,489,744	41,794,576	16,904,932	10,065,766	-	-	-	-
HCL Singapore Pte Limited	1,987,127	3,917,402	73,772	448,803	-	-	-	-
HCL Sweden AB	3,439,235	14,625,080	-	-	-	-	-	-
Other	39,608,223	8,013,028	9,535,541	7,578,924	-	-	-	-
Total (B)	119,642,336	(246,289,962)	34,677,902	22,540,101	-	-	-	-
Others (Significant influences)								
HCL Infosystems Limited	155,401,647	-	-	-	59,625	220,643	12,283,201	32,774,825
HCL Infotech Ltd.	-	-	-	-	73,374	-	-	-
Digilife Distribution & Marketing Services Limited	-	-	-	-	-	-	46,525,979	-
Shiv Nadar Foundation	351,047	-	-	-	-	-	-	-
Statestreet HCL Services (India) Private Limited	2,462,234	111,850	-	-	-	-	-	-
Others	-	-	-	-	-	-	2,026,353	-
Total (C)	158,214,928	111,850	-	-	132,999	220,643	60,835,533	32,774,825
Total (A+B+C)	694,422,198	678,315,557	36,599,077	60,488,114	132,999	220,643	65,968,280	32,774,825

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Payment for use of facilities		Receipt for use of facilities		Interest Income		Other Income	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Holding Company								
HCL Technologies Limited	3,337,716	3,337,716	12,000,000	12,000,000	-	73,698,351	47,624,592	-
Total (A)	3,337,716	3,337,716	12,000,000	12,000,000	-	73,698,351	47,624,592	-
Fellow Subsidiaries								
HCL Comnet System & Services Limited □	-	-	1,741,568	-	1,951,890	-	2,504,804	-
HCL Technologies Solution Limited	-	-	-	-	218,220	-	-	-
HCL Global preocessing services Limited	-	-	2,273,040	2,587,200	-	-	826,199	-
Total (B)	-	-	4,014,608	2,587,200	2,170,110	-	3,331,004	-
Total (A+B)	3,337,716	3,337,716	16,014,608	14,587,200	2,170,110	73,698,351	50,955,596	-

HCL Comnet Limited
Notes to financial statements for the year ended June 30, 2014
(All amounts in ₹)

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Loans given		Repayment of loan taken		Sale of Capital Equipment		Investment made during the year	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Holding Company								
HCL Technologies Limited	-	-	4,128,451,774	2,059,872	842,510	-	-	-
Total	-	-	4,128,451,774	2,059,872	842,510	-	-	-
Fellow Subsidiaries								
HCL Technologies Solution Limited	7,000,000	-	-	-	-	-	-	-
HCL Comnet System & Services Limited	40,000,000	-	-	-	-	-	80,000,000	-
Total (B)	47,000,000	-	-	-	-	-	80,000,000	-
Total (A+B)	47,000,000	-	4,128,451,774	2,059,872	842,510	-	80,000,000	-

d) Outstanding balances with related parties

Particulars	Trade receivables		Trade payables		Income received in advance		Unbilled revenue	
	As at June 30,		As at June 30,		As at June 30,		As at June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Holding Company								
HCL Technologies Limited	149,384,281	49,062,168	5,872,314	106,627,806	56,755,503	162,461,050	46,520,785	451,604,434
Total (A)	149,384,281	49,062,168	5,872,314	106,627,806	56,755,503	162,461,050	46,520,785	451,604,434
Fellow Subsidiaries								
HCL America Inc.	-	-	661,579	13,050,766	-	12,609,388	-	-
HCL Great Britain Limited	-	8,973,784	1,335,025	1,274,451	-	871,151	-	790,173
HCL Singapore pte Limited	219,387	2,309,933	73,772	384,564	-	-	-	174,344
HCL Sweden AB	-	5,686,584	-	-	-	-	-	-
HCL Global processing services Limited	-	-	-	-	-	-	-	2,587,200
HCL Comnet System & Services Limited	7,568,073	-	7,017,139	-	96,895	-	3,858,552	-
Others	8,805,834	2,653,154	-	7,770,854	-	2,066,517	-	55,493
Total (B)	16,593,294	19,623,455	9,087,514	22,480,635	96,895	15,547,056	3,858,552	3,607,210
Others (Significant influence)								
HCL Infosystems Limited	155,647,140	43,599	17,981	721,241	-	-	-	-
Statestreet HCL Services (India) Private Limited	8,981,051	10,477,505	-	-	7,565,492	10,027,726	-	-
Shiv Nadar Foundation	11,327	-	-	-	10,055	-	-	-
Total (C)	164,639,518	10,521,104	17,981	721,241	7,575,547	10,027,726	-	-
Total (A+B+C+D)	330,617,093	79,206,727	14,977,809	129,829,682	64,427,945	188,035,832	50,379,337	455,211,644

d) Outstanding balances with related parties

Particulars	Loans and advances		Loan taken		Interest receivable		Liability for expenses	
	As at June 30,		As at June 30,		As at June 30,		As at June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Holding Company								
HCL Technologies Limited	5,163,288	833,940,525	-	4,128,451,774	-	5,459,178	45,748,913	41,767,990
Total (A)	5,163,288	833,940,525	-	4,128,451,774	-	5,459,178	45,748,913	41,767,990
Fellow Subsidiaries								
HCL America Inc.	5,040	-	-	-	-	-	661,579	981,954
HCL Great Britain Limited	-	-	-	-	-	-	1,335,025	355,662
HCL Comnet System & Services Limited	40,113,374	-	-	-	266,301	-	-	-
HCL Technologies Solution Limited	7,000,000	-	-	-	46,603	-	-	-
HCL Global processing services Limited	917,295	-	-	-	-	-	-	-
Others	420,220	1,250,163	-	-	-	-	-	-
Total (B)	48,455,929	1,250,163	-	-	312,904	-	1,996,604	1,337,616
Others (Significant influence)								
HCL Infosystems Limited	-	-	-	-	-	-	4,643,514	-
Total (C)	-	-	-	-	-	-	4,643,514	-
Total (A+B+C)	53,619,216	835,190,688	-	4,128,451,774	312,904	5,459,178	52,389,031	43,105,606

d) Outstanding balances with related parties

Particulars	Capital accounts payable		Capital advance given		Supplier credit		Advance against sale of Building	
	As at June 30,		As at June 30,		As at June 30,		As at June 30,	
	2014	2013	2014	2013	2014	2013	2014	2013
Others (Significant influence)								
HCL Infosystems Limited	44,356	45,109	-	854,029	6,893,250	25,469,459	-	-
SSN Investments Pondi Private limited	-	-	-	-	-	-	720,000,000	-
Digilife Distribution & Marketing Services Limited	-	-	-	-	44,256,397	-	-	-
Total	44,356	45,109	-	854,029	51,149,647	25,469,459	720,000,000	-

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2014
(All amounts in ₹ except share data and unless otherwise stated)

2.27 Commitments and contingent liabilities

(a)

	As at	
	June 30 ,2014	June 30 ,2013
i) Capital and other commitments		
Estimated amount of unexecuted capital contracts	3,148,513	2,603,437
(Net of advances)	-	-
	3,148,513	2,603,437
ii) Contingent Liabilities		
Sales Tax demand (refer note below)	-	12,267,047
	-	12,267,047

These claims are being contested in the courts by the Company. The management does not expect these claims to succeed. Accordingly, no provision for the contingent liability has been recognized in the financial statements.

(b) Bank guarantees of ₹ 132,618,030 (Previous year ₹ 174,890,320). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the Company fulfilling its ordinary commercial obligations.

(c) During the year ended June 30, 2014 the Company has negotiated extended interest bearing credit terms with certain vendors and issued ₹ 981,489,955 (previous year 29,799,774) of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.2% to 10.0%

The company also has letter of credit amounting ₹ nil outstanding for year ended June 30, 2014 (previous year ₹ 2,539,114) in other normal course of business.

2.28 The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions are accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.29 Segment reporting

In the opinion of the management, networking solutions is the only business segment of the Company and the Company majorly operates in a single geographical segment and hence there are no reportable segments as envisaged in Accounting Standard (AS)-17 'Segment Reporting' notified by Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, no disclosures for segmental reporting have been included in the financial statements.

2.30 HCL Technologies Limited has issued employee stock options to the employees of the Company. The cost incurred by the holding company for issuing such options is ₹ 5,664,035 (Previous year ₹ 21,124,822).

2.31 As of balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 572,969,889 (Previous year ₹ 256,773,547).

2.32 Movement in provision for warranty is as follows:

	Year ended	
	June 30 ,2014	June 30 ,2013
Balance at the beginning of the year	5,575,853	5,575,853
Additional provision during the year	-	-
Reduction due to utilization and write back of excess provision*	(5,575,853)	-
Closing provision	-	5,575,853

*calculated on estimated basis

2.33 Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the year ended June 30, 2014		For the year ended June 30, 2013	
	Principal	Interest	Principal	Interest
Amount due to vendor	1,079,190	18,005	-	-
Principal Amoungt beyond the appointed date	-	-	-	-
Interset under normal credit terms:-				
Accrued and unpaid during the year	-	18,005	-	-
Total Interest payable :-				
Accrued and unpaid during the year	-	-	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.34 Employee Benefit Plans

The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans and State Plans

Employer's contribution to Employees State Insurance
Employer's contribution to Employee's Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended	
	June 30, 2014	June 30, 2013
Employer's contribution to Employee's state insurance	4,293,696	4,320,670
Employer's contribution to Employee's pension scheme	14,607,181	15,589,591
	18,900,877	19,910,261

B. Defined Benefit Plans

a) Gratuity
b) Employers Contribution to Provident Fund

Gratuity

The Company has a unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table set out the status of the gratuity plan as required under AS 15 (Revised):

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Cost)

	Year ended	
	June 30, 2014	June 30, 2013
Current service cost	13,142,864	11,307,502
Interest cost on benefit obligation	5,539,518	5,047,156
Expected return on plan assets	-	-
Net acturial loss recognized in the year	(8,535,242)	2,932,080
Past service cost	-	-
Net benefit expense	10,147,140	19,286,738

Balance Sheet

Details of provision for gratuity

	Year ended	
	June 30, 2014	June 30, 2013
Defined benefit obligations	56,856,075	66,838,242
Fair value of plan assets	-	-
	56,856,075	66,838,242
Less:unrecognized past service cost	-	-
Plan liability	56,856,075	66,838,242

Changes in present value of the defined benefit obligation are as follows:

	Year ended	
	June 30, 2014	June 30, 2013
Opening defined benefit obligation	66,838,242	57,128,324
Current service cost	13,142,864	11,307,502
Interest cost	5,539,518	5,047,156
Acturial loss on obligation	(8,535,242)	2,932,080
Benefits paid	(20,129,307)	(9,576,820)
Closing defined benefit obligation	56,856,075	66,838,242

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended	
	June 30, 2014	June 30, 2013
Discount rate	8.80%	7.45%
Estimated rate of salary increases	7%	7%
Employee turnover	18%	17%
Expected rate of return on assets	NA	NA

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, Seniority, promotion and other relevant factors, such as supply and demand in the employment market

The following table set out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Defined benefit obligations	56,856,075	66,838,242	57,128,324	39,701,843	38,505,810
Experience adjustment on plan liabilities	(4,455,301)	219,227	6,261,385	(7,782,751)	(8,856,698)

Employers Contribution to Provident Fund

The Company contributes to HCL Comnet System & Services Limited and HCL Comnet Limited Employee Trust which is maintained jointly by HCL Comnet Systems & Services Limited, fellow subsidiary and HCL Comnet Limited. The disclosures of plan assets cannot be provided as the plan asset are not attributable to the Company only. The actuary has provided a valuation and there is no shortfall as at June 30, 2014.

Assumptions used in determining the present value obligation of interest rate guarantee under the Deterministic Approach

	Year ended	
	June 30, 2014	June 30, 2013
Government of India (GOI) bond yield	8.80%	7.95%
Remaning term of maturity	8.57 years	9.18 years
Expected guaranteed interest rate	8.75%	8.50%

During the year ended June 30, 2014, the Company has contributed ₹ 20,822,956 (Previous year ₹ 24,430,456) towards Employers' contribution to the Provident Fund.

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2014

(All amounts in ₹ except share data and unless otherwise stated)

2.35 Particulars of purchases, sales and closing stock of trading goods:

ITEMS	Opening Stock Value (₹)	Purchases Value (₹)	Sales Value (₹)	Closing Stock Value (₹)
SATELITE COMMUNICATION EQUIPMENT				
Basic VSAT Equipment	5,141,669	4,400,966		1,354,334
	(5,045,582)	(25,777,824)		(5,141,669)
Antenna	361,059	8,942,800	23,711,254	4,025,393
	(2,545,931)	(7,509,375)	(70,062,467)	(361,059)
Others	2,388,582	8,035,672		1,045,471
	(4,083,046)	(30,830,100)		(2,388,582)
DATA COMMUNICATION EQUIPMENT				
Router	27,675,184	193,894,009		9,039,156
	(17,253,846)	(458,172,322)		(27,675,184)
Others	146,941,104	612,572,514	1,327,690,508	29,545,765
	(96,937,227)	(859,136,118)	(1,528,927,950)	(146,941,104)
CCO	70,984,269	145,761,143	-	65,518,608
	(83,954,459)	(105,020,518)	-	(70,984,269)
OTHERS	94,696,207	506,780,186	1,162,012,532	31,302,121
	(81,555,517)	(744,359,205)	(1,061,735,725)	(94,696,207)
TOTAL	348,188,074	1,480,387,290	2,513,414,294	141,830,849
	(291,375,608)	(2,230,805,462)	(2,660,726,141)	(348,188,074)

Note: Previous year figure are given in brackets.

2.36 CIF value of imports

	Year ended	
	June 30, 2014	June 30, 2013
Capital goods	14,580,545	9,883,617
Trading Goods	577,313,633	390,393,726
	591,894,178	**400,277,343**

2.37 Auditors' remuneration *

	Year ended	
	June 30, 2014	June 30, 2013
As auditor's		
Statutory audit	1,760,000	1,300,000
Tax Audit Fees	200,000	200,000
	1,960,000	**1,500,000**

*excluding service tax

2.38 Expenditure in foreign currency (on accrual basis)

	Year ended	
	June 30, 2014	June 30, 2013
Cost of network installation, software services and other services		
Annual maintenance contracts	345,884,448	365,397,845
Consulting charges	36,599,077	59,894,461
Other project cost	16,984,312	46,205,287
Travel and Conveyance	7,375,779	23,475,161
Cost of goods sold	39,267,165	-
Others	4,963,015	22,900,699
	451,073,795	**517,873,453**

2.39 Earnings in foreign currency (on accrual basis)

	Year ended	
	June 30, 2014	June 30, 2013
Sale of Material	1,003,759	1,097,396
Service Income (refer note 2.40)	134,098,080	(211,059,411)
	135,101,838	**(209,962,015)**

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2014
(All amounts in ₹ except share data and unless otherwise stated)

2.40 Revenue of earlier year reversed during previous financial year and its impact on earnings per share

During the previous year, Company has reversed the revenue of ₹ 413,430,206 related to earlier financial year being amount of revenue over invoiced to a fellow subsidiary. Correspondingly the Company has also reversed the tax provision related to such adjustment of ₹ 134,137,430.

	June 30, 2013
Net Profit as per statement of profit and loss for computation of EPS	330,532,370
Adjusted : Revenue reversal impact (net of taxes)	279,292,776
Profit for the year after impact of revenue reversal (net of taxes)	609,825,146
Weighted average number of shares outstanding in computation of EPS	949,900
Nominal value of equity share (In ₹)	10
Earning per equity share (in ₹) computed on the basis of profit for the year as per statement of profir and loss	
- Basic and Diluted (In ₹)	347.97
Earning per equity share (in ₹) computed on the basis of profits for the year after adjusting prior period revenue reversal (net of taxes)	
- Basic and Diluted (In ₹)	641.99

2.41 Previous year comparatives

The previous year's figures have been re-classified/re-grouped to conform to current year's classification.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W
Chartered Accountants

Per YOGESH MIDHA
Partner
Membership Number: 94941

Gurgaon, India

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India

HCL COMNET LIMITED

INDIAN - GAAP

STANDALONE FINANCIAL STATEMENT

For the year ended June 30, 2015

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Comnet Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of HCL Comnet Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

S.R. Batliboi & Associates LLP
Gurgaon

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at June 30, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on June 30, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

S.R. Batliboi & Associates LLP * Gurgaon *

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of June 30, 2015;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Yogesh Midha
Partner
Membership Number: 094941

Place: Gurgaon, India
Date: September 29, 2015

S.R. Batliboi & Associates LLP * Gurgaon *

Annexure referred to in paragraph 1 of the section on "Report on Other Legal and Regulatory Requirements" of our report of even date
Re: HCL Comnet Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

S.R. Batliboi & Associates LLP * Gurgaon *

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	40,107	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10,207,935	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	30,510,965	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	29,780,371	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	30,768,721	2004-05	Income Tax Appellate Tribunal
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	8,834,504	2007-10	Customs ,Excise, Service Tax Appellant Tribunal, New Delhi
Central Sales Tax 1956	Sales Tax	543,738	2008-09	West Bengal Commercial Tax Appellate & Revisional Board
Central Sales Tax 1956	Sales Tax	1,040,092	2009-10	West Bengal Commercial Tax Appellate & Revisional Board
Central Sales Tax 1956	Sales Tax	370,744	2010-11	West Bengal Commercial Tax Appellate & Revisional Board
West Bengal value added tax act 2003	Value Added Tax	49,000	2009-10	West Bengal Commercial Tax Appellate & Revisional Board
West Bengal value added tax act 2003	Value Added Tax	1,123,438	2010-11	West Bengal Commercial Tax Appellate & Revisional Board

(d) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the company.

S.R. Batliboi & Associates LLP
Gurgaon

(viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not issued any debentures and has not defaulted in repayment of dues to a financial institution or bank.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W

per Yogesh Midha
Partner
Membership Number: 094941

Place: Gurgaon, India
Date: September 29, 2015

S.R. Batliboi & Associates LLP * Gurgaon *

HCL Comnet Limited
Balance Sheet as at June 30, 2015
(All amounts in ₹)

	Note No.	As at June 30, 2015	As at June 30, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	9,499,000	9,499,000
(b) Reserves and surplus	2.2	2,366,666,886	1,900,123,695
		2,376,165,886	1,909,622,695
(2) Non - current liabilities			
(a) Long-term borrowings	2.3	26,418,040	4,958,095
(b) Other long-term liabilities	2.4	480,380,125	339,894,984
(c) Long term provisions	2.5	58,370,836	47,423,862
		565,169,001	392,276,941
(3) Current liabilities			
(a) Trade payables	2.6	442,502,120	396,322,690
(b) Other current liabilities	2.6	2,752,170,160	3,989,461,399
(c) Short term provisions	2.7	46,796,750	39,855,464
		3,241,469,030	4,425,639,553
TOTAL		6,182,803,917	6,727,539,189
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.8	87,646,486	175,674,911
(ii) Intangible assets	2.8	5,392,963	290,419
(iii) Capital work in progress		9,311,932	3,909,755
		102,351,381	179,875,085
(b) Deferred tax assets (net)	2.9	423,667,847	396,568,567
(c) Long term loans and advances	2.10	993,877,446	1,154,195,371
(d) Other non-current assets	2.11	102,066,656	76,644,687
		1,621,963,330	1,807,283,710
(2) Current Assets			
(a) Current investments	2.12	1,212,648,339	580,005,047
(b) Inventories	2.13	235,472,844	156,823,434
(c) Trade receivables	2.14	1,492,425,992	2,254,576,563
(d) Cash and bank balances	2.15	436,707,763	924,867,653
(e) Short - term loans and advances	2.16	599,269,324	615,525,826
(f) Other current assets	2.17	584,316,325	388,456,956
		4,560,840,587	4,920,255,479
TOTAL		6,182,803,917	6,727,539,189
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership Number: 94941

Gurgaon, India
Date: September 29, 2015

S.R. Batliboi & Associates LLP * Gurgaon *

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: 29/9/2015

HCL Comnet Limited

Statement of Profit and Loss for the year ended June 30 ,2015

(All amounts in ₹except share data unless otherwise stated)

	Note No.	Year ended June 30, 2015	Year ended June 30, 2014
Income			
Revenue from operations	2.18	5,045,663,934	5,466,023,115
Other income	2.19	729,554,121	174,684,281
Total revenue		5,775,218,055	5,640,707,396
Expenses			
Purchases of stock-in-trade	2.35	1,536,522,438	1,480,387,290
Changes in inventories of stock-in-trade	2.20	127,523,743	427,811,041
Employee benefit expenses	2.21	1,365,543,724	1,159,657,479
Finance costs	2.22	83,126,682	113,513,637
Depreciation and amortization expense	2.8	21,564,794	58,219,294
Other expenses	2.23	2,064,118,790	2,154,338,953
Total expenses		5,198,400,171	5,393,927,694
Profit before tax		**576,817,884**	**246,779,702**
Tax expense			
- current tax		(137,373,973)	(49,857,875)
- deferred tax (expense) / credit		27,099,280	(31,607,361)
Total current tax		(110,274,693)	(81,465,236)
Profit for the year		**466,543,191**	**165,314,466**
Earnings per equity share of par value ` 10 each (computed on the basis of profit for the year)	2.40		
Basic and Diluted (₹)		491.15	174.03
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of financial statements

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership Number: 94941

Gurgaon, India
Date: September 29, 2015

S.R. Batliboi & Associates LLP * Gurgaon *

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: 29/9/2015

HCL Comnet Limited
Cash flow statement
(All amounts in ₹)

	Year ended June 30, 2015	Year ended June 30, 2014
A. Cash flows from operating activities		
Profit before tax	576,817,884	246,779,702
Adjustment for:		
Depreciation and amortization expenses	21,564,794	58,219,294
Interest income	(65,727,135)	(62,578,525)
Interest expenses	71,581,218	98,831,525
Profit on sale of fixed assets	(592,594,179)	(150,311)
Profit on sale of investments	(27,250,935)	(73,832,253)
Provisions no longer required written back	(7,937,601)	(5,575,853)
Provision for doubtful advance written off	2,273,273	-
Provision for doubtful debts / bad debt written off	100,014,901	202,569,371
Provision for doubtful advances	-	4,786,530
Operating profit before working capital changes	78,742,222	469,049,480
Movement in Working Capital		
(Increase) / decrease in trade receivables	662,135,670	(983,533,525)
(Increase) / decrease in loans and advances	(62,209,470)	(131,073,547)
(Increase) / decrease in other assets	(237,679,029)	177,201,407
(Increase) / decrease in inventories	(78,649,410)	231,052,491
Increase / (decrease) in liabilities and provisions	(294,338,927)	1,084,243,342
Cash generated from operations	68,001,055	846,939,649
Direct taxes paid (net of refunds)	15,225,602	(179,637,554)
Net cash from / (used in) operating activities (A)	83,226,658	667,302,095
B. Cash flows from investing activities		
Investment in fixed deposits	(459,802,500)	(760,840,000)
Proceeds from maturity of fixed deposits	1,040,000,000	2,000,010,000
Purchase of investments in mutual funds	(4,355,000,000)	(4,935,000,000)
Investment in fellow subsidiaries	-	(80,000,000)
Proceeds from sale of mutual funds	3,749,607,643	6,320,774,028
Loans given to fellow subsidiaries	-	(47,000,000)
Repayment of loans given to fellow subsidiaries	46,500,000	-
Proceeds from repayment of loans given to holding company	-	820,000,000
Proceeds from deposits placed with body corporate	70,000,000	285,000,000
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(54,672,664)	(729,479,052)
Advance against sale of building	-	720,000,000
Proceeds from sale of fixed assets	587,870	763,721
Interest received	82,124,825	80,146,349
Taxes paid	(22,005,861)	(20,467,296)
Net cash from investing activities (B)	97,339,312	3,653,907,750
C. Cash flows from financing activities		
Repayment of short term borrowings from holding company	-	(4,128,451,774)
Proceeds from long term borrowings	47,698,007	2,979,695
Repayment of long term borrowings	(64,530,068)	(195,145,847)
Principal payment on finance lease obligations	-	(1,101,083)
Interest paid	(71,696,298)	(100,345,360)
Net cash from / (used in) financing activities (C)	(88,528,359)	(4,422,064,369)
Net increase in cash and cash equivalents (A+B+C)	92,037,611	(100,854,524)
Cash and cash equivalents at the beginning of the year	164,867,653	265,722,177
Cash and cash equivalents at the end of the year as per note 2.15	256,905,264	164,867,653

As per our report of even date.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration Number: 101049W
Chartered Accountants

per Yogesh Midha
Partner
Membership Number: 94941

Gurgaon, India
Date: September 29, 2015

S.R. Batliboi & Associates LLP
Gurgaon

For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
Date: 29/9/2015

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹ except share data and as stated otherwise)

Company Overview

HCL Comnet Limited was incorporated in India in August 2001 and focuses on providing technology services. The Company is providing data communication services which include trading of satellite and non satellite based communication equipments such as VSAT, Routers, switches, Modems etc, application operation services and services related to installation and maintenance of networking equipment. The Company is providing the services across Defense, Financial services, Government, Telecom, PSU's, Energy and utilities.

1. Summary of Significant accounting policies

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These consolidated financial statements have been prepared to comply in all material aspects with applicable accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year unless stated specifically in the accounting policies below.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured.

Revenue from sale of products is recognized when persuasive evidence of an arrangement exists, risk and reward of ownership has been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured. Revenue from installation services is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from infrastructure management services comprise income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed.Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Warranty costs on sale of goods and services are accrued based on management estimates and historical data at the time those related revenues are recognized.

Unearned income arising in respect of maintenance services is calculated on the basis of unutilized period of service at the balance sheet date and represents revenue, which is expected to be earned in future periods in respect of these services.

Revenues are shown net of value added tax, service tax and applicable discounts and allowances. The revenue is recognized net of discounts and allowances.

Products which are delivered and acceptance not received are considered as deferred cost.

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

d) Tangibles fixed assets and capital work-in-progress

Fixed assets are stated at the cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard or period of performance. All other expenses on the existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gain or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount are recognised in the Statement of Profit and Loss when the asset is derecognized.

Fixed assets under construction, and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

e) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

The management's estimates of the useful lives of the various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations)	10
Office equipments	5
Computers	4-5
Furniture and fixtures	7
Vehicles – owned	5
Vehicles – leased	Over the period of lease or 5 years, whichever is lower
Leasehold- improvements	Over the remaining period of lease or 4 years, whichever is lower

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. Hence, the useful lives for these assets are different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

Till year ended 30 June 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing ` 5,000/- or less in the year of purchase. However, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of assets costing ` 5,000/- or less. As per the revised policy, the Company depreciates such assets over their useful lives as assessed by the management. The management has decided to apply the revised accounting policy prospectively from the accounting year commencing on or after 01 July 2014.

The change in accounting for depreciation of assets costing less than ₹5,000/- did not have any material impact on financial statements of the company for the current year.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill arising out of amalgamation is amortized over 5 years unless a longer period can be justified.

The management's estimates of the useful life of Software is 3 years.

g) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value or present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company *is the lessor*

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

i) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date of which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued.

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If an investment is acquired in exchange of another assets, the acquisition is determined by reference to the fair value of the assets given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of investments, the difference between its carrying amount and net disposal is charged and credited to statement of profit and loss.

k) Foreign currency translation

i) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii) Exchange Differences
Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

l) Taxation

Tax expense comprises of current and deferred tax. Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 (enacted in India). Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become

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reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) Retirement and other employee benefits

i. Contributions to provident fund, a defined benefit plan, are deposited with a Recognized Provident Fund Trust, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to maximum of ` 10 Lacs per employee). The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance Sheet date. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans : The Company's contribution to State Plans , a defined contribution plan namely Employee State Insurance Fund and Employee's Pension Scheme are charged to the statement of profit and loss.

n) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o) Borrowing cost

Borrowing costs includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing cost is expensed in the period they occur.

p) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable than an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

2 Notes to financial statements

2.1 Share Capital

	As at	
	June 30, 2015	**June 30, 2014**
Authorized		
1,100,000 (Previous year , 1,100,000) equity shares of ₹ 10 each	11,000,000	11,000,000
Issued, subscribed and fully paid up		
949,900 (Previous year, 949,900) equity shares of ₹ 10 each fully paid up	9,499,000	9,499,000

The Company has only one class of shares issued referred to as equity shares having a par value of ₹ 10/- each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at			
	June 30, 2015		**June 30, 2014**	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Number of shares at the beginning	949,900	9,499,000	949,900	9,499,000
Add: Shares issued during the year	-	-	-	-
Number of shares at the end	949,900	9,499,000	949,900	9,499,000

Shares held by holding / ultimate holding company and / or their subsidiaries/associates:

Out of equity shares issued by the company, shares held by its holding company, are as below:

	As at			
	June 30, 2015		June 30, 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹10 each fully paid				
HCL Technologies Limited	949,900	100.00%	949,900	100.00%

Details of shareholders holding more than 5% shares in the company:-

	As at			
	June 30, 2015		June 30, 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹10 each fully paid				
HCL Technologies Limited	949,900	100.00%	949,900	100.00%

As per the records of the company, including its register of shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back during five years immediately preceding the reporting date.

2.2 Reserves and Surplus

	As at	
	June 30, 2015	June 30, 2014
Securities premium account		
Balance as at year end	539,940,000	539,940,000
	539,940,000	**539,940,000**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,360,183,695	1,194,869,229
Add - Profit for the year	466,543,191	165,314,466
Net surplus in statement of profit and loss	**1,826,726,886**	**1,360,183,695**
	2,366,666,886	**1,900,123,695**

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Notes to financial statements for the year ended June 30, 2015

(All amounts in ₹ except share data and unless otherwise stated)

2.3 Long term borrowings

	Non-current portion		Current portion	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
(a) Secured				
From bank				
Long term loans (refer note 1 below)	3,407,340	3,675,137	1,631,735	1,238,630
From others				
Others (refer note 2 below)	-	-	-	7,613,064
Finance lease obligations (refer note 3 below)	-	-	-	203,302
(b) Unsecured				
Others (refer note 4 below)	23,010,700	1,282,958	15,463,425	46,535,471
Amount disclosed under the head" Other current liabilities" (note 2.6)			**(17,095,160)**	**(55,590,467)**
	26,418,040	**4,958,095**	**-**	**-**

Note:-

1. The Company has availed a term loan which secured by hypothecation of vehicles of ₹ 10,076,355 (previous year ₹ 8,221,586) at variable interest rates not exceeding interest rate of 11% (previous year : 11%).The same is repayable over a period of 5 years (previous year over a period of 5 years) on monthly basis.

2. The other long term debts of Nil represents loan taken for purchase of plant and machinery (previous year ₹ 7,613,064) at an interest ranging from 0% to 6.79% secured by hypothecation of gross block of plant and machinery of Nil (previous year ₹ 130,364,088).

3. Obligation under finance lease is secured by vehicle taken on lease.

4. The other long term debts of ₹ 38,474,125 represents loan taken for purchase of plant and machinery (previous year ₹ 47,818,429) at an interest ranging from 0% to 6.79% .The loan is repayable till March 2018.

2.4 Other long term Liabilities

	As at	
	June 30, 2015	June 30, 2014
Deposit from customers	46,780,000	46,780,000
Income received in advance	433,600,125	293,114,984
	480,380,125	**339,894,984**

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HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹ except share data and unless otherwise stated)

2.5 Long term provisions

	As at	
	June 30, 2015	June 30, 2014
Provision for employee benefits		
Provision for gratuity (refer note 2.32)	57,827,647	47,423,862
Provision for other long term incentive	543,189	-
	58,370,836	**47,423,862**

2.6 Trade payables and other current liabilities

	As at	
	June 30, 2015	June 30, 2014
Trade Payables (refer note 2.31 for details of dues to micro and small enterprises)	410,937,326	381,344,881
Trade Payables - related parties (refer note 2.25(d))	31,564,794	14,977,809
	442,502,120	**396,322,690**
Other current liabilities		
Capital Accounts Payables	40,269,169	22,188,650
Capital Accounts payables-related parties (refer note 2.25(d))	-	44,356
Current maturities of long term borrowings (refer note 2.3)	17,095,160	55,590,467
Interest accrued but not due on borrowings	-	115,080
Advance received from customers	190,355,771	186,800,250
Deposit from customers	77,894,490	81,569,174
Income received in advance	719,560,856	1,042,531,101
Income received in advance - related parties (refer note 2.25(d))	63,524,865	64,417,890
Accrued salaries and benefits		
Employee bonuses accrued	63,557,684	49,284,529
Other employee costs	22,150,372	20,423,027
Other liabilities		
Liabilities for expenses	532,604,962	530,673,906
Liabilities for expenses - related parties (refer note 2.25(d))	75,149,755	52,389,031
Supplier credit	919,156,517	1,075,689,201
Supplier credit-related party (refer note 2.25(d))	-	51,149,647
Withholding and other taxes payable	30,850,559	36,595,089
Advance against sale of building (refer note 2.25(d))	-	720,000,000
	2,752,170,160	**3,989,461,399**

2.7 Short term provisions

	As at	
	June 30, 2015	June 30, 2014
Provision for employee benefits		
Provision for gratuity (refer note 2.32)	9,327,367	9,432,213
Provision for compensated absences	37,469,383	30,423,251
	46,796,750	**39,855,464**

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Notes to Financial Statements for the year ended 30 June 2015
(All amounts in ₹ except share data and as stated otherwise)

2.8 Fixed Assets

The changes in the carrying value of fixed assets for the year ended June 30, 2015

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	As at July 1, 2014	Additions	Deletions	As at June 30, 2015	As at July 1, 2014	Charge for the year	Deletions	As at June 30, 2015	As at June 30, 2015	As at June 30, 2014
Tangible Assets										
Leasehold land	54,234,221	-	54,234,221	-	8,023,201	150,682	8,173,885	-	-	46,211,020
Building	146,999,134	-	146,999,134	-	63,676,355	1,389,423	65,065,779	-	-	83,322,779
Plant and machinery	1,180,182,926	32,960,309	744,414,126	468,729,109	1,173,410,779	3,812,145	744,414,126	432,808,797	35,920,311	6,772,147
Office Equipment	60,416,202	416,465	187,824	60,644,843	44,587,603	1,877,713	187,824	46,277,492	14,367,351	15,828,599
Computers	138,128,182	24,981,936	-	163,110,118	122,414,228	10,433,568	-	132,847,796	30,262,322	15,713,954
Furniture and fittings	55,816,193	94,207	2,255,181	53,655,219	54,067,237	278,732	2,255,181	52,090,788	1,564,431	1,748,956
Vehicles - owned	11,025,643	1,854,769	-	12,880,412	5,528,925	1,945,499	-	7,474,424	5,405,987	5,496,718
- leased	4,926,901	-	4,349,123	577,778	4,346,162	152,827	4,047,294	451,694	126,084	580,739
Total (A)	1,651,729,402	60,307,685	952,439,610	759,597,478	1,476,054,490	20,040,588	824,144,090	671,950,991	87,646,486	175,674,911
Intangible										
Software	109,798,509	6,626,751	1,361,506	115,063,753	109,508,090	1,524,206	1,361,506	109,670,790	5,392,963	290,419
Total (B)	109,798,509	6,626,751	1,361,506	115,063,753	109,508,090	1,524,206	1,361,506	109,670,790	5,392,963	290,419
Total (A)+(B)	1,761,527,911	66,934,436	953,801,116	874,661,231	1,585,562,580	21,564,794	825,505,596	781,621,781	93,039,449	175,965,330

Based on technical evaluation, the Company reassessed and revised the useful lives of assets with effect from 01 July 2014.

The existing and revised useful lives are as below:

Category of Assets	Existing Useful Life (Years)	Revised Useful Life (Years)
Buildings	20	20
Plant and machinery (including air conditioners, electrical installations)	4-5	10
Office Equipments	4	5
Computers	3	4-5
Furniture and fixtures	4	7
Vehicles – owned	5	5

Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended June 30, 2015 would have been higher by ₹ 88.58 lacs for assets held at July 1, 2014.

The changes in the carrying value of fixed assets for the year ended June 30, 2014

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	As at July 1, 2013	Additions	Deletions/ adjustments*	As at June 30, 2014	As at July 1, 2013	Charge for the year	Deletions/ adjustments*	As at June 30, 2014	As at June 30, 2014	As at June 30, 2013
Tangible Assets										
Leasehold land	54,234,221	-	-	54,234,221	7,226,116	797,085	-	8,023,201	46,211,020	47,008,105
Building	147,028,995	-	29,861	146,999,134	56,341,427	7,351,057	16,129	63,676,355	83,322,779	90,687,568
Plant and machinery	1,189,602,669	394,862	9,814,605	1,180,182,926	1,160,141,960	16,025,172	2,756,352	1,173,410,779	6,772,147	29,460,709
Office Equipment	101,758,891	4,808,178	46,150,866	60,416,202	94,360,709	3,389,621	53,162,727	44,587,603	15,828,599	7,398,182
Computers	223,266,136	18,819,148	103,957,102	138,128,182	201,109,556	25,261,774	103,957,102	122,414,228	15,713,954	22,156,580
Furniture and fittings	66,126,767	642,599	10,953,173	55,816,193	63,409,410	1,611,000	10,953,173	54,067,237	1,748,956	2,717,357
Vehicles - owned	10,268,427	1,591,292	834,076	11,025,643	4,183,826	1,642,570	297,472	5,528,925	5,496,717	6,084,601
- leased	5,303,317	-	376,416	4,926,901	3,880,027	825,869	359,734	4,346,162	580,739	1,423,290
Total (A)	1,797,589,423	26,256,079	172,116,099	1,651,729,402	1,590,653,031	56,904,148	171,502,689	1,476,054,490	175,674,911	206,936,392
Intangible										
Software	109,798,509	-	-	109,798,509	108,192,944	1,315,146	-	109,508,090	290,419	1,605,565
Total (B)	109,798,509	-	-	109,798,509	108,192,944	1,315,146	-	109,508,090	290,419	1,605,565
Total (A)+(B)	1,907,387,932	26,256,079	172,116,099	1,761,527,911	1,698,845,975	58,219,294	171,502,689	1,585,562,580	175,965,330	208,541,957

* Include gross block and accumulated depreciation of ₹ 163,286,628 (previous year ₹ NIL) and ₹ 163,226,504 (previous year ₹ Nil) respectively on accounts of assets discarded from active use.

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2.9 Deferred tax assets (net)

	As at	
	June 30, 2015	June 30, 2014
Deferred tax assets:		
Accrued employee costs	58,588,316	30,341,797
Provision for doubtful debts and advances	181,352,604	156,668,395
Depreciation and amortization	167,366,924	188,800,272
Leased vehicles	-	69,102
Others	18,460,934	25,901,721
Gross deferred tax assets (A)	**425,768,778**	**401,781,287**
Deferred tax liabilities		
Assets given on finance lease	2,100,931	5,212,720
Gross deferred tax liabilities (B)	**2,100,931**	**5,212,720**
Net deferred tax assets (A-B)	**423,667,847**	**396,568,567**

2.10 Long term loans and advances

	As at	
	June 30, 2015	June 30, 2014
Unsecured , considered good		
Capital advances	372,216	-
Security deposits	81,302,321	70,072,437
Finance lease receivables	312,790,584	319,133,311
Advance fringe benefit tax (refer note 2 below)	481,688	481,688
Advance Income Tax (refer note 1 below)	376,125,115	506,718,829
Prepaid expenses	222,805,522	257,789,106
	993,877,446	**1,154,195,371**
Unsecured , considered doubtful		
Loan and advances to others	22,867,781	30,795,933
Less: Provision for doubtful advances	(22,867,781)	(30,795,933)
	993,877,446	**1,154,195,371**

Note 1: Net of Income tax provision of ₹ 1,126,273,751 (Previous year: ₹ 988,899,778)

Note 2: Net of fringe benefit advance tax ₹ 34,052,862 (Previous year ₹ 34,052,862)

2.11 Other non-current assets

	As at	
	June 30, 2015	June 30, 2014
Unsecured considered good unless otherwise stated		
Deferred cost	101,226,656	75,804,687
Bank deposit more than 12 months	840,000	840,000
	102,066,656	**76,644,687**

Note: Pledged with banks as security for guarantees ₹ 8,40,000 (Previous year: ₹ 8,40,000)

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Notes to financial statements for the year ended June 30, 2015
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2.12 Current Investments

Particulars	As at	
	June 30, 2015	June 30, 2014
Current investments- at cost		
In fellow subsidiary company, trade (unquoted), fully paid up preference shares capital		
8,00,000 (previous year 8,00,000) 8% cumulative redeemable non-convertible preference share of Rs. 100 each in HCL Comnet System & Services Ltd. (refer note 2.25(c))	80,000,000	80,000,000
Current investments (At lower of cost or fair value) (unquoted)		
Investment in mutual fund (refer note below)	1,132,648,339	500,005,047
	1,212,648,339	**580,005,047**

Details of Investments in mutual funds - Non trade and unquoted:-

	Face Value	Balance as at June 30, 2015		Balance as at June 30, 2014	
		Units	Amount	Units	Amount
Daily Dividend					
Birla Sunlife Cash Plus-Growth	100	3,662,984	827,451,152	-	-
UTI Liquid Fund-Cash Plan-Growth	1000	32,561	75,197,187	-	-
ICICI Prudential Liquid Fund -Growth	100	1,093,560	230,000,000	2,597,855	500,005,047
Total			**1,132,648,339**		**500,005,047**

2.13 Inventories

	As at	
	June 30, 2015	June 30, 2014
Stock in trade	222,196,163	141,830,849
Goods in transit	12,092,311	13,385,251
Stores and spares	1,184,370	1,607,334
	235,472,844	**156,823,434**

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2.14 Trade receivables (Unsecured)

	As at	
	June 30, 2015	**June 30, 2014**
(a) Considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	540,601,044	187,918,402
Unsecured, considered doubtful	523,702,889	423,296,682
	1,064,303,933	**611,215,084**
Provision for doubtful receivables	(523,702,889)	(423,296,682)
Total (A)	**540,601,044**	**187,918,402**
(b) Other receivables		
Unsecured, considered good	951,824,948	2,066,658,161
Total (B)	**951,824,948**	**2,066,658,161**
Total (A)+(B)	**1,492,425,992**	**2,254,576,563**

Note: Include receivable from related parties amounting to ₹ 289,556,155 (Previous year: ₹ 330,617,093) refer note 2.25(d).

2.15 Cash and bank balances

	As at	
	June 30, 2015	**June 30, 2014**
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	255,016,998	126,946,550
Cheque in hand	1,888,265	37,458,850
Remittances in transit	-	462,253
Total (A)	**256,905,263**	**164,867,653**
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	179,802,500	760,000,000
Deposits with original maturity of more than 12 months	840,000	840,000
	180,642,500	**760,840,000**
Amount disclosed under other non-current assets (refer note 2.11)	(840,000)	(840,000)
Total (B)	**179,802,500**	**760,000,000**
Total (A+B)	**436,707,763**	**924,867,653**

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2.16 Short-term loans and advances

	As at	
	June 30, 2015	June 30, 2014
Unsecured , considered good		
Loan and advances to related party (refer note 2.25(d))	22,478,604	53,619,216
Others		
Security deposits	11,529,580	6,098,637
Intercorporate deposits with HDFC Limited	-	70,000,000
Finance lease receivables	90,218,238	63,727,934
Advance to suppliers	28,585,963	8,679,870
Prepaid expenses	414,520,206	396,932,103
Service tax receivable	24,955,748	15,821,689
Other loans and advances	6,980,986	646,377
	599,269,324	**615,525,826**
Unsecured , considered doubtful		
Loans and advances to employees	6,132,516	6,141,965
Loans and advances to others	1,245,068	1,245,068
	7,377,584	7,387,033
Less: Provision for doubtful advances	(7,377,584)	(7,387,033)
	599,269,324	**615,525,826**

2.17 Other current assets

	As at	
	June 30, 2015	June 30, 2014
Unbilled revenue	12,306,980	21,837,649
Unbilled revenue-related parties (refer note 2.25(d))	89,699,978	50,379,337
Deferred cost	480,938,705	298,471,617
Interest receivable	1,358,900	17,455,449
Interest receivable-related parties (refer note 2.25(d))	11,762	312,904
	584,316,325	**388,456,956**

2.18 Revenue from operations

	Year ended	
	June 30, 2015	June 30, 2014
Sale of hardware and software	2,086,654,649	2,513,414,294
Sale of services	2,959,009,285	2,952,608,821
	5,045,663,934	**5,466,023,115**

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Notes to financial statements for the year ended June 30, 2015

(All amounts in ₹ except share data and unless otherwise stated)

2.19 Other Income

	Year ended	
	June 30, 2015	**June 30, 2014**
Interest income		
- On fixed deposits	64,731,709	60,408,415
- Others	995,426	2,170,110
Profit on sale of current investments	27,250,935	73,832,253
Provision no longer required written back	7,937,601	5,575,853
Profit on sale of fixed assets	592,594,179	150,311
Miscellaneous income	36,044,271	32,547,339
	729,554,121	**174,684,281**

2.20 Changes in inventories of stock-in-trade

	Year ended	
	June 30, 2015	**June 30, 2014**
Opening stock	141,830,849	348,188,074
Purchases of traded goods	1,536,522,438	1,480,387,290
Less: Stock transferred from deferred cost	207,889,057	221,453,816
Less: Closing stock	222,196,163	141,830,849
	1,664,046,181	**1,908,198,331**

2.21 Employee benefit expenses

	Year ended	
	June 30, 2015	**June 30, 2014**
Salaries, wages and bonus	1,282,293,442	1,089,966,718
Gratuity	16,603,635	10,147,140
Contribution to provident fund and other funds	45,775,216	39,817,292
Staff welfare expenses	20,871,431	19,726,329
	1,365,543,724	**1,159,657,479**

2.22 Finance cost

	Year ended	
	June 30, 2015	**June 30, 2014**
Interest		
-on loan from bank	1,434,690	927,877
-on leased assets	14,780	87,087
-others	70,131,748	97,816,561
Bank charges	11,545,464	14,682,112
	83,126,682	**113,513,637**

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2.23 Other expenses

	Year ended	
	June 30, 2015	June 30, 2014
Rent	80,377,258	80,271,378
Power and fuel	20,145,654	9,266,560
Insurance	1,878,701	3,857,163
Cost of network installation, software and other services	1,343,034,245	1,394,837,809
Repairs and maintenance		
- Plant and machinery	5,830,295	20,038,648
- Buildings	12,250,908	14,477,409
- Others	47,657,309	39,886,388
Communication costs	52,321,007	45,886,615
Books and periodicals	733,876	1,012,978
Travel and conveyance	178,705,226	134,089,893
Freight and forwarding charges	73,664,282	65,378,798
Business promotion	13,141,897	13,873,553
Legal and professional charges (refer note 2.35)	23,402,460	20,685,859
Software license fee	45,510,729	59,068,692
Printing and stationery	6,745,825	6,909,505
Rates and taxes	10,956,411	14,054,986
Loans and advances written off	2,273,273	-
Recruitment, training and development	16,695,099	9,696,756
Provision for doubtful debts / bad debt written off	100,014,901	202,569,371
Provision for doubtful advances	-	4,786,530
Exchange differences (net)	23,369,325	8,436,789
Miscellaneous expenses	5,410,109	5,253,272
	2,064,118,790	**2,154,338,953**

2.24 Leases

i) Operating Leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense relating to real estate recognised in the statement of profit and loss for the year is ₹ 79,465,471 (previous year ₹ 78,188,453). The escalation amount of operating lease payable in future years and accounted for by the company is ₹ 9,612,830 (previous year ₹ 8,701,043). Future minimum lease payments and payment profile of non-cancellable operating leases are ₹ 157,372,528 (previous year ₹ 41,011,916)

	Year ended	Year ended
	June 30, 2015	June 30, 2014
Not Later than one year	59,246,544	10,070,250
Later than one year and not later than five year	98,125,984	30,941,666
	157,372,528	**41,011,916**

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ii) Finance Leases: In case of assets given on lease

The Company has given networking equipment to its customers on finance lease basis. The total minimum lease payment receivables and maturity profile of finance leases at the Balance Sheet date, element of interest included in such receipts, and present value of minimum lease payment receivable are as follows:

	Total Minimum Lease payment outstanding	Interest included in minimum lease payments	Present value of minimum lease payment
Not Later than one year	115,999,026	25,780,788	90,218,238
	(98,378,044)	(34,650,110)	(63,727,934)
Later than one year and not later than five year	220,087,663	38,677,690	181,409,974
	(319,807,213)	(70,291,788)	(249,515,425)
Later than five year	160,077,491	28,696,880	131,380,610
	(74,023,996)	(4,406,110)	(69,617,886)
	496,164,180	93,155,358	403,008,822
	(492,209,253)	(109,348,008)	(382,861,245)

Previous year figures are in brackets.

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2.25 Related party transactions

a) **Related parties where control exists**
HCL Technologies Limited, Holding company

b) **Related parties with whom transactions have taken place during the year**

Holding company
HCL Technologies Limited

Fellow subsidiaries
HCL America Inc., USA
HCL Great Britain Limited, UK
HCL GmbH
HCL Belgium NV
HCL Poland SP.Z O.O.
HCL Singapore Pte Limited
HCL Australia Ser Pty Ltd
HCL (Brazil) Tecnologia da informacao Ltda.
HCL Axon Solutions (Shanghai) Co. Ltd.
HCL Axon (Pty) Limited
HCL Global processing services Limited
HCL Axon Technologies Inc.
HCL Comnet systems & services Limited
HCL Technologies solutions Limited

Others (significant influence)

HCL Infosystems Limited
Redington (India) Limited
HCL TalentCare Pvt. Ltd.
Shiv Nadar Foundation
HCL Services Limited
Cadensworth (India) Limited, India
Ensure Support Services (India) Limited
Statestreet HCL Services (India) Private Limited

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Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹)

c) Transactions with related parties during the year in the ordinary course of business:

Particulars	Revenues		Outsourcing costs		Purchase of capital equipment		Other expenses		Interest on Supplier credit	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Holding Company										
HCL Technologies Limited	397,417,978	416,564,934	-	1,921,175			-	5,132,747	-	-
Total (A)	397,417,978	416,564,934	-	1,921,175	-	-	-	5,132,747	-	-
Fellow Subsidiaries										
HCL America Inc.	-	47,118,008	311,047	8,163,657	-	-	-	-	-	-
HCL Great Britain Limited	-	27,489,744	23,938,056	16,904,932	-	-	-	-	-	-
HCL Singapore Pte Limited	-	1,987,127	456,023	73,772	-	-	-	-	-	-
HCL Sweden AB	-	3,439,235	-	-	-	-	-	-	-	-
HCL POLAND SP.Z O.O.	-	-	5,767,012	-	-	-	-	-	-	-
HCL GMBH	-	-	1,786,374	-	-	-	-	-	-	-
Other	11,097,227	39,608,223	1,651,278	9,535,541	-	-	-	-	-	-
Total (B)	11,097,227	119,642,336	33,909,790	34,677,902	-	-	-	-	-	-
Others (Significant influences)										
HCL Infosystems Limited	69,303,407	155,401,647	-	-	-	59,625	6,869,818	12,283,201	204,432	-
HCL Infotech Ltd.	-	-	-	-	-	73,374	-	-	-	-
Redington (India) Limited	-	-	-	-	-	-	53,609,962	-	17,157,027	-
Digilife Distribution & Marketing Services Limited	-	-	-	-	-	-	-	46,525,979	-	-
Shiv Nadar Foundation	6,361	351,047	-	-	-	-	-	-	-	-
HCL TalentCare Pvt. Ltd	-	-	12,677,057	-	-	-	-	-	-	-
Others	-	-	480,539	-	-	-	2,170,027	2,026,353	1,510,107	-
Total (C)	69,309,768	155,752,694	13,157,596	-	-	132,999	62,649,807	60,835,533	18,871,566	-
Jointly Controlled entites										
Statestreet HCL Services (India) Private Limited	-	2,462,234	-	-	-	-	-	-	-	-
Total (D)	-	2,462,234	-	-	-	-	-	-	-	-
Total (A+B+C+D)	477,824,973	694,422,198	47,067,386	36,599,077	-	132,999	62,649,807	65,968,280	18,871,566	-

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Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹)

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Payment for use of facilities		Receipt for use of facilities		Interest Income		Other Income		Reimbursement of expenses	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Holding Company										
HCL Technologies Limited	630,457	3,337,716	2,233,333	12,000,000	-	-	-	47,624,592	37,009,636	-
Total (A)	630,457	3,337,716	2,233,333	12,000,000	-	-	-	47,624,592	37,009,636	-
Fellow Subsidiaries										
HCL Comnet System & Services Limited	-	-	-	1,741,568	802,110	1,951,890	-	2,504,804	-	-
HCL Technologies Solution Limited	-	-	-	-	193,316	218,220	-	-	-	-
HCL Global processing services Limited	-	-	2,439,360	2,273,040	-	-	-	826,199	826,200	-
Total (B)	-	-	2,439,360	4,014,608	995,426	2,170,110	-	3,331,004	826,200	-
Others (Significant influences)										
HCL Infosystems Limited	176,803	-	-	-	-	-	-	-	-	-
Redington (India) Limited	483,600	-	-	-	-	-	-	-	-	-
Others	473,185	-	-	-	-	-	-	-	-	-
Total (C)	1,133,588	-	-	-	-	-	-	-	-	-
Total (A+B+C)	1,764,045	3,337,716	4,672,693	16,014,608	995,426	2,170,110	-	50,955,596	37,835,836	-

c) Transactions with related parties during the year in the ordinary course of business

Particulars	Loans given		Repayment of loan taken		Sale of Capital Equipment		Investment made during the year		Gain on sale of building	
	Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,		Year ended June 30,	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Holding Company										
HCL Technologies Limited	-	-	-	4,128,451,774	-	842,510	-	-	-	-
Total	-	-	-	4,128,451,774	-	842,510	-	-	-	-
Fellow Subsidiaries										
HCL Technologies Solution Limited	-	7,000,000	-	-	-	-	-	-	-	-
HCL Comnet System & Services Limited	500,000	40,000,000	-	-	-	-	-	80,000,000	-	-
Total (B)	500,000	47,000,000	-	-	-	-	-	80,000,000	-	-
Others (Significant influences)										
SSN Investments (Pondi) Private Limited	-	-	-	-	-	-	-	-	592,006,305	-
Total (C)	-	-	-	-	-	-	-	-	592,006,305	-
Total (A+B)	500,000	47,000,000	-	4,128,451,774	-	842,510	-	80,000,000	592,006,305	-

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Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹)

d) Outstanding balances with related parties

Particulars	Trade receivables		Trade payables		Income received in advance		Unbilled revenue		Prepaid expenses	
	As at June 30,		As at June 30,		As at June 30,		As at June 30,		As at June 30,	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Holding Company										
HCL Technologies Limited	251,692,902	149,384,281	22,040,510	5,872,314	48,672,558	56,755,503	72,693,297	46,520,785	-	-
Total (A)	251,692,902	149,384,281	22,040,510	5,872,314	48,672,558	56,755,503	72,693,297	46,520,785	-	-
Fellow Subsidiaries										
HCL America Inc.	-	-	-	661,579	-	-	-	-	-	-
HCL Great Britain Limited	-	-	5,175,568	1,335,025	-	-	-	-	-	-
HCL Singapore pte Limited	-	219,387	-	73,772	-	-	-	-	-	-
HCL Comnet System & Services Limited	12,388,760	7,568,073	247,767	7,017,139	-	96,895	17,006,681	3,858,552	-	-
HCL Technologies Denmark ApS	-	-	4,100,949	-	-	-	-	-	-	-
HCL Saudi Arabia LLC	13,139,854	-	-	-	-	-	-	-	-	-
Others	319,946	8,805,834	-	-	-	-	-	-	-	-
Total (B)	25,848,560	16,593,294	9,524,284	9,087,514	-	96,895	17,006,681	3,858,552	-	-
Others (Significant influence)										
HCL Infosystems Limited	-	155,647,140	-	17,981	7,428,892	-	-	-	536,827	-
Shiv Nadar Foundation	11,327	11,327	-	-	-	10,055	-	-	-	-
Others	-	-	-	-	-	-	-	-	35,310	-
Total (C)	11,327	155,658,467	-	17,981	7,428,892	10,055	-	-	572,137	-
Jointly Controlled entites										
Statestreet HCL Services (India) Private Limited	12,003,367	8,981,051	-	-	7,423,415	7,565,492	-	-	-	-
Total (D)	12,003,367	8,981,051	-	-	7,423,415	7,565,492	-	-	-	-
Total (A+B+C+D)	289,556,156	330,617,093	31,564,794	14,977,809	63,524,865	64,427,945	89,699,978	50,379,337	572,137	-

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HCL Comnet Limited
Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹)

d) Outstanding balances with related parties

Particulars	Loans and advances		Interest receivable		Liability for expenses	
	As at June 30,		As at June 30,		As at June 30,	
	2015	2014	2015	2014	2015	2014
Holding Company						
HCL Technologies Limited	1,836,901	5,163,288		-	48,492,535	45,748,913
Total (A)	1,836,901	5,163,288	-	-	48,492,535	45,748,913
Fellow Subsidiaries						
HCL America Inc.	5,040	5,040	-	-	270,730	661,579
HCL Great Britain Limited	-	-	-	-	5,485,396	1,335,025
HCL Comnet System & Services Limited	17,827,415	40,113,374	11,762	266,301	-	-
HCL Technologies Solution Limited	-	7,000,000	-	46,603	-	-
HCL Global processing services Limited	1,847,980	917,295	-	-	-	-
HCL POLAND SP.Z O.O.	-	-	-	-	2,999,681	-
Others	461,267	420,220	-	-	3,108,377	-
Total (B)	20,141,702	48,455,929	11,762	312,904	11,864,184	1,996,604
Others (Significant influence)						
HCL Infosystems Limited	-	-	-	-	10,708,157	4,643,514
HCL TalentCare Pvt. Ltd	-	-	-	-	4,069,915	-
Others	-	-	-	-	14,965	-
Total (C)	-	-	-	-	14,793,037	4,643,514
Total (A+B+C)	21,978,603	53,619,216	11,762	312,904	75,149,754	52,389,031

d) Outstanding balances with related parties

Particulars	Capital accounts payable		Supplier credit		Advance against sale of Building	
	As at June 30,		As at June 30,		As at June 30,	
	2015	2014	2015	2014	2015	2014
Others (Significant influence)						
HCL Infosystems Limited	-	44,356	-	6,893,250	-	-
SSN Investments Pondi Private limited	-	-	-	-	-	720,000,000
Digilife Distribution & Marketing Services Limited	-	-	-	44,256,397	-	-
Total (A)	-	44,356	-	51,149,647	-	720,000,000

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2.26 Commitments and contingent liabilities

(a)

	As at	
	June 30 ,2015	June 30 ,2014
i) Capital and other commitments		
Estimated amount of unexecuted capital contracts	69,736,592	3,148,513
(Net of advances)	-	-
	69,736,592	**3,148,513**
ii) Contingent Liabilities	-	-
	-	-

(b) The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions are accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.27 Segment reporting

In the opinion of the management, networking solutions is the only business segment of the Company and the Company majorly operates in a single geographical segment and hence there are no reportable segments as envisaged in Accounting Standard (AS)-17 'Segment Reporting' notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules. Accordingly, no disclosures for segmental reporting have been included in the financial statements.

2.28 HCL Technologies Limited has issued employee stock options to the employees of the Company. The cost incurred by the holding company for issuing such options is ₹ 1,292,357 (Previous year ₹ 5,664,035).

2.29 As of balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 595,232,423 (Previous year ₹ 572,969,889).

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HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹ except share data and unless otherwise stated)

2.30 Movement in provision for warranty is as follows:

	Year ended	
	June 30 ,2015	**June 30 ,2014**
Balance at the beginning of the year	-	5,575,853
Additional provision during the year	-	-
Reduction due to utilization and write back of excess provision*	-	(5,575,853)
Closing provision	-	-

*calculated on estimated basis

2.31 Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	Principal	**Interest**	**Principal**	**Interest**
Amount due to vendor	603,206	6,805	1,079,190	18,005
Principal amount beyond the appointed date	-	-	-	-
Interest under normal credit terms:-				
Accrued and unpaid during the year	-	6,805	-	18,005
Total Interest payable :-				
Accrued and unpaid during the year	-	-	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.32 Employee Benefit Plans

The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans and State Plans

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended	
	June 30, 2015	**June 30, 2014**
Employer's contribution to Employee's state insurance	4,493,858	4,293,696
Employer's contribution to Employee's pension scheme	21,905,286	14,607,181
	26,399,144	**18,900,877**

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B. Defined Benefit Plans

a) Gratuity
b) Employers Contribution to Provident Fund

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table set out the status of the gratuity plan as required under AS 15 (Revised):

Statement of Profit and Loss

Net employee benefit expense (recognised in Employee Cost)

	Year ended	
	June 30, 2015	**June 30, 2014**
Current service cost	11,475,019	13,142,864
Interest cost on benefit obligation	5,543,129	5,539,518
Expected return on plan assets	-	-
Net acturial loss recognized in the year	(414,514)	(8,535,242)
Past service cost	-	-
Net benefit expense	**16,603,634**	**10,147,140**

Balance Sheet

Details of provision for gratuity

	Year ended	
	June 30, 2015	**June 30, 2014**
Defined benefit obligations	67,155,014	56,856,075
Fair value of plan assets	-	-
	67,155,014	56,856,075
Less: unrecognized past service cost	-	-
Plan liability	**67,155,014**	**56,856,075**

Changes in present value of the defined benefit obligation are as follows:

	Year ended	
	June 30, 2015	**June 30, 2014**
Opening defined benefit obligation	56,856,075	66,838,242
Current service cost	11,475,019	13,142,864
Interest cost	5,543,129	5,539,518
Acturial loss on obligation	(414,514)	(8,535,242)
Benefits paid	(6,304,695)	(20,129,307)
Closing defined benefit obligation	**67,155,014**	**56,856,075**

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Gurgaon

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹ except share data and unless otherwise stated)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended	
	June 30, 2015	**June 30, 2014**
Discount rate	8.05%	8.80%
Estimated rate of salary increases	7%	7%
Employee turnover	18%	18%
Expected rate of return on assets	NA	NA

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, Seniority, promotion and other relevant factors, such as supply and demand in the employment market

The following table set out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended				
	June 30, 2015	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**	**June 30, 2011**
Defined benefit obligations	67,155,014	56,856,075	66,838,242	57,128,324	39,701,843
Experience adjustment on plan liabilities	(2,934,422)	(4,455,301)	219,227	6,261,385	(7,782,751)

Employers Contribution to Provident Fund

The Company contributes to HCL Comnet System & Services Limited and HCL Comnet Limited Employee Trust which is maintained jointly by HCL Comnet Systems & Services Limited, fellow subsidiary and HCL Comnet Limited. The disclosures of plan assets cannot be provided as the plan asset are not attributable to the Company only. The actuary has provided a valuation and there is no shortfall as at June 30, 2015.
Assumptions used in determining the present value obligation of interest rate guarantee under the Deterministic Approach

	Year ended	
	June 30, 2015	**June 30, 2014**
Government of India (GOI) bond yield	9.71%	9.88%
Remaining term of maturity	7.5 years	8.57 years
Expected guaranteed interest rate	8.75	8.75%

During the year ended June 30, 2015, the Company has contributed ₹ 19,307,422 (Previous year ₹ 20,822,956) towards Employers' contribution to the Provident Fund.

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Gurgaon

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2015

(All amounts in ₹ except share data and unless otherwise stated)

2.33 Particulars of purchases, sales and closing stock of trading goods:

	Opening Stock	Purchases	Sales	Closing Stock
ITEMS	**Value (₹)**	**Value (₹)**	**Value (₹)**	**Value (₹)**
SATELITE COMMUNICATION EQUIPMENT				
Basic VSAT Equipment	1,354,334	17,904,368		1,257,079
	(5,141,669)	**(4,400,966)**		**(1,354,334)**
Antenna	4,025,393	9,815,669	76,252,829	1,920,473
	(361,059)	**(8,942,800)**	**(23,711,254)**	**(4,025,393)**
Others	1,045,471	21,575,851		1,140,546
	(2,388,582)	**(8,035,672)**		**(1,045,471)**
DATA COMMUNICATION EQUIPMENT				
Router	9,039,156	157,502,985		7,232,542
	(27,675,184)	**(193,894,009)**		**(9,039,156)**
Others	29,545,765	306,984,203	1,235,177,873	39,881,905
	(146,941,104)	**(612,572,514)**	**(1,327,690,508)**	**(29,545,765)**
CCO	65,518,608	404,321,090		53,900,412
	(70,984,269)	**(145,761,143)**		**(65,518,608)**
OTHERS	31,302,121	618,418,273	775,223,947	116,863,205
	(94,696,207)	**(506,780,186)**	**(1,162,012,532)**	**(31,302,121)**
TOTAL	141,830,849	1,536,522,438	2,086,654,649	222,196,163
	(348,188,074)	**(1,480,387,290)**	**(2,513,414,294)**	**(141,830,849)**

Note: Previous year figure are given in brackets.

S.R. Batliboi & Associates LLP Gurgaon

HCL Comnet Limited

Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹ except share data and unless otherwise stated)

2.34 CIF value of imports

	Year ended	
	June 30, 2015	**June 30, 2014**
Capital goods	36,366,908	14,580,545
Trading Goods	269,761,608	577,313,633
	306,128,516	**591,894,178**

2.35 Auditors' remuneration *

	Year ended	
	June 30, 2015	**June 30, 2014**
As auditor's		
Statutory audit	1,760,000	1,760,000
Tax Audit Fees	200,000	200,000
	1,960,000	**1,960,000**

*excluding service tax

2.36 Expenditure in foreign currency (on accrual basis)

	Year ended	
	June 30, 2015	**June 30, 2014**
Cost of network installation, software services and other services		
Annual maintenance contracts	328,752,623	345,884,448
Consulting charges	33,909,790	36,599,077
Other project cost	31,568,509	16,984,312
Travel and Conveyance	4,518,190	7,375,779
Cost of goods sold	46,500,578	39,267,165
Others	11,644,497	4,963,015
	456,894,187	**451,073,795**

2.37 Earnings in foreign currency (on accrual basis)

	Year ended	
	June 30, 2015	**June 30, 2014**
Sale of Material	307,256	1,003,759
Service Income	1,483,571	134,098,080
	1,790,827	**135,101,838**

HCL Comnet Limited
Notes to financial statements for the year ended June 30, 2015
(All amounts in ₹ except share data and unless otherwise stated)

2.38 Previous year comparatives

The previous year's figures have been re-classified/re-grouped to conform to current year's classification.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W
Chartered Accountants

Per Yogesh Midha
Partner
Membership Number: 94941

Gurgaon, India
Date: September 29, 2015

S.R. Batliboi & Associates LLP ★ Gurgaon ★

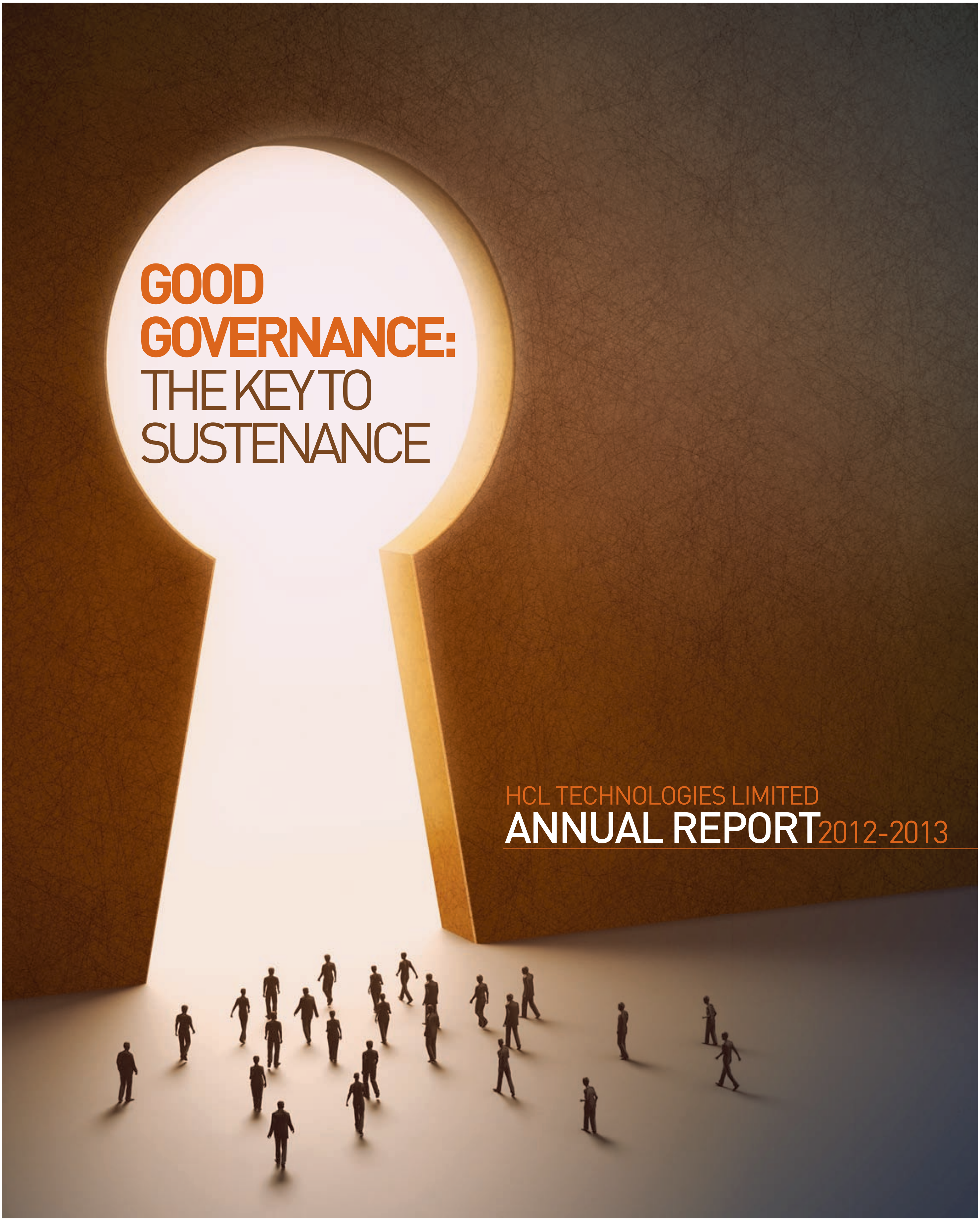
For HCL Comnet Limited

Prahlad Rai Bansal
Director

Manish Anand
Director

Noida (UP), India
29/9/2015

HCL



GOOD GOVERNANCE: THE KEY TO SUSTENANCE

HCL TECHNOLOGIES LIMITED

ANNUAL REPORT 2012-2013

CONTENTS

BOARD OF DIRECTORS

MR. SHIV NADAR
Chairman & Chief Strategy Officer

Ms. ROSHNI NADAR MALHOTRA
Non-Executive Director

MR. VINEET NAYAR
Non-Executive Director

MR. AMAL GANGULI
Non-Executive & Independent Director

MR. KEKI MISTRY
Non-Executive & Independent Director

MR. R. SRINIVASAN
Non-Executive & Independent Director

Ms. ROBIN ABRAMS
Non-Executive & Independent Director

MR. SOSALE SHANKARA SASTRY
Non-Executive & Independent Director

MR. SRIKANT MADHAV DATAR
Non-Executive & Independent Director

MR. SUBRAMANIAN MADHAVAN
Non-Executive & Independent Director

MR. SUBROTO BHATTACHARYA
Non-Executive & Independent Director

MR. SUDHINDAR KRISHAN KHANNA
Non-Executive & Independent Director

Auditors
M/s. S. R. Batliboi & Co. LLP
Chartered Accountants
Gurgaon

Bankers
Citibank, N.A.
Global Corporate & Investment Banking
DLF Centre, 5th Floor
Parliament Street
New Delhi-110001

Deutsche Bank AG
Corp. Office - DLF Square
4th floor, Jacaranda Marg,
DLF City, Phase - II
Gurgaon-122002

Standard Chartered Bank
Corporate & Institutional Banking
Credit Operations, India
H -2, Connaught Circus
New Delhi-110001

State Bank of India
Corporate Accounts Group Branch
11th /12th Floor, Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi-110001

MANAGEMENT DISCUSSION AND ANALYSIS

Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When words like 'anticipate', 'believe', 'estimate', 'intend', 'will', and 'expect' and other similar expressions are used in this discussion, they relate to the Company or its business and are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading 'Risk Factors' in the Prospectus filed with the Securities and Exchange Board of India (SEBI) as well as factors discussed elsewhere in this report. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Current State of the Indian IT Industry

The Indian IT Services industry has exhibited rapid evolution in terms of expanding their vertical and geographic markets, attracting new customer segments, transforming from technology partners to strategic business partners imbibing a shared vision and offering a considerably wider spectrum of services.

According to NASSCOM estimates, export revenues (excluding hardware) are expected to cross USD 75.8 billion in FY 2013, growing by 10.2% during FY'13. Software and Services export revenue (excluding hardware) had posted 14.9% growth during FY 2012.

- **Verticals:** The industry's vertical market mix is well balanced across several mature and emerging sectors. Growth this year was driven by emerging verticals of healthcare, retail and utilities growing at a consolidated 12%, even as the traditional verticals BFSI and manufacturing recorded above industry growth.
- **Geographies:** The year was characterized by healthy growth in Europe (including United Kingdom) and Asia Pacific. US, the biggest market for IT-BPM exports also continued its growth momentum albeit at a slower pace. As the European market is becoming more amenable to off -shoring, growth in this region is expected to firm up further.

QUICK FACTS

[NASSCOM on the Indian IT Industry]

- The industry is estimated to aggregate revenues of USD 108 billion in FY 2013
- IT software and services sector (excluding hardware) account for USD 95 billion of revenue.
- As a proportion of national GDP, the sector revenues have grown from 1.2% in FY 1998 to nearly 8% in FY 2013
- Its share of total Indian exports (merchandise plus services) increased from less than 4% in FY 1998 to about 23-25 % in FY 2013

- **Service Lines:** As per NASSCOM estimates, amongst service lines, Business Process Management segment is expected to be the fastest growing at 12.2% and is estimated to gross USD 17.8 billion in FY 2013. The IT services segment aggregated export revenues of USD 43.9 billion, accounting for nearly 58% of total exports and a growth of 9.9% over FY 2012.

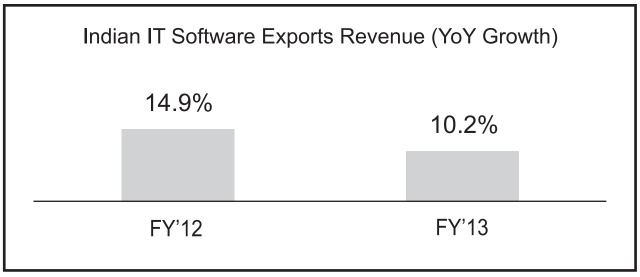


Figure 1.1

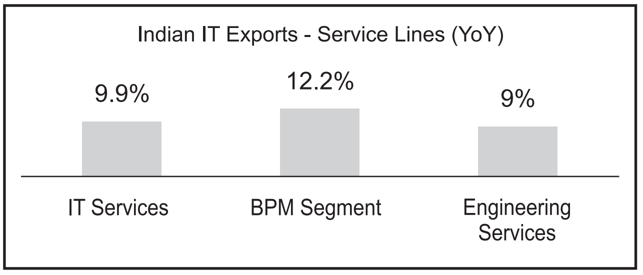


Figure 1.2

HCL Technologies (HCLT) continues to outperform the Indian IT-Industry . As shown in the chart (Figure 1.3), during the period ending March 2013, HCLT's revenues grew by 12% YoY to reach USD 4.53 Billion. HCLT's revenue has grown by 21% on a 3 year CAGR basis whereas the Indian IT Industry grew by 13.5% during the same period. On a 5 year CAGR basis, HCLT's revenue grew by 21% whereas the Indian IT-BPO industry grew by 11.4%.

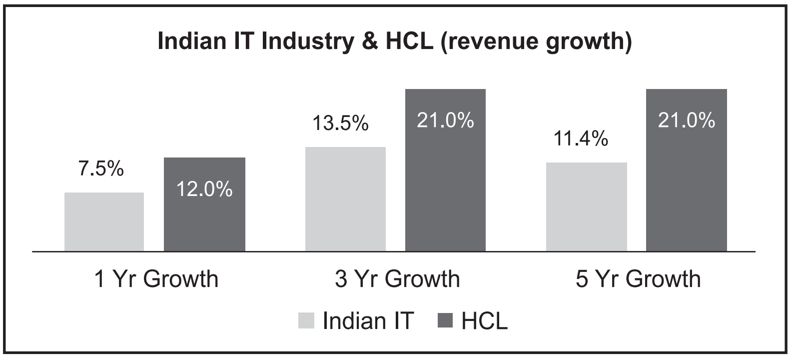


Figure 1.3 (HCL revenue numbers LTM YoY JFM)

The Industry Outlook

As per NASSCOM estimates the global economic environment is set to improve from 2013 onwards, with global GDP expected to increase by 3.5 per cent in 2013 and further by 4.1 per cent in 2014. Service providers are realigning themselves to current and emerging opportunities in the form of Intellectual Property (IP) based platforms, customized business models, tailor made customer solutions and hybrid delivery. This, in turn, is helping the industry to evolve and position itself as a strategic business partner to global customers.

Five major technological changes are expected to open up new opportunities for service providers:

- Smart Computing
- Software-as-a-Service (SaaS)
- Social Technologies
- Mobility
- Analytics

The IT buying landscape has also undergone a major shift. One mega trend is the expanding role of IT. The stakeholder has expanded beyond the role of the CIO. Information Technology's role is shifting from a reactive back-end support operation to a strategic enabler of innovation.

IT services industry is expected to grow by 4.2% in 2013 as per NASSCOM as firms work at ways to reduce costs and increase profitability, realizing the need for information technology to create competitive advantage.

NASSCOM estimates that, total revenues for FY 2014 from IT (domestic as well as exports, excluding hardware) will grow between 13% and 15% to reach USD 106-111 billion; of this, exports are likely to be about USD 84-87 billion, a growth of about 12-14%.

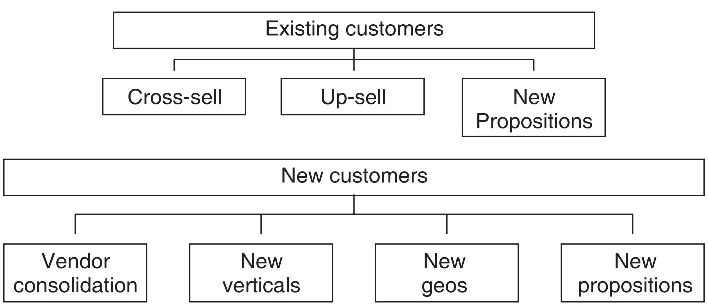
Drivers for future growth

Smart computing, 'anything'-as-a-service, technology enablement in emerging verticals as well as the small and medium business market are expected to open new opportunities for the industry.

Domestic IT-Business Process Management Industry revenue (excluding hardware) is expected to grow at 14.1% to gross INR 1,047 billion in FY 2013. Rapid advancement in technology infrastructure, increasingly competitive Indian organizations and emergence of business models that help provide IT services and enablement to new customer segments are key drivers for increased technology adoption in India.

The Indian IT industry will continue to redefine and transform itself by establishing new business and global delivery models and partnerships. Global sourcing will be the key growth driver, with organizations trying to reduce operational costs, enter new markets and focus on innovation.

HCLT - Opportunities for Growth



At HCLT, new customer acquisition and growth across existing customers has been the key to success.

- $10 Mn clients quadrupled from 26 in FY 07 to 102 in FY 13
- $ 20 Mn clients quadrupled from 13 in FY 07 to 51 in FY 13

Future Outlook

- Worldwide packaged software revenue expected to grow by over 6.5 per cent in 2013
- Global IT-BPM spend is expected to grow between 5-6 per cent
- Business process management spending in 2013 is expected to be increasingly driven by F&A and procurement segments, followed by HR outsourcing and customer care

HCLT- Key growth drivers:

New capabilities to adapt to a changing market and intensifying competition

- Organically upgraded Lines of Business (LoBs) such as infrastructure and engineering and R&D services
- A well balanced portfolio to address full IT opportunities
- A simplified and consolidated structure instead of the erstwhile fragmented one- clearly established lines of accountability
- Positioning as a provider of end-to-end services and not just skills, due to new offerings, domain depth and consulting capabilities
- Focus on revenue growth through existing and new customers
- Evolving account management practices to become "best in class"
- Investments in high value services and global delivery model
- Looking beyond traditional levers to achieve non-linear growth

For existing customers:

- Offering a wide portfolio of services

Future growth opportunities will also come from existing as well as new customers.

- From existing customers: Opportunities reside in cross-sell, up-sell and new propositions such as business-aligned IT, Cloud computing, platform-based BPO and Green IT. HCLT provides increased value to its customers by leveraging key alliances and partnerships to facilitate joint solution development.
- From new customers: Growth opportunities could come from vendor consolidation, new verticals and new geographies. Vendor consolidation will contribute significantly to global offshoring.

HCLT's ability to grow customer relationships, particularly into large accounts, will be critical for its growth in the coming years.

The HCLT Strategy

HCLT's strategy of focusing on growth, service innovation and unique positioning in the marketplace has further improved its competitive standing. It has been leading the Indian IT industry's growth over the past five years. During this period, HCLT has developed new capabilities while adapting to changing market dynamics and intensifying competition.

Going forward, HCLT will continue to focus on revenue growth through existing and new customers and will evolve account management practices to make these "best in class". HCLT will offer increased value to existing customers through alliances and partnerships ecosystem. By engaging in joint solution development with partners, HCLT will build differentiated industry-specific and cross-industry solutions. At the same time, it will continue to make investments in high value services and strengthen its global delivery practices while looking beyond traditional avenues to achieve non-linear growth.

Infrastructure Services Division (ISD)

Infrastructure Services Division (ISD) continues to be HCLT's fastest growing business line contributing over 29.2% to the total revenue. On a three-year basis, it is the fastest growing infrastructure services provider in the world with revenue of $1Bn. The division manages mission - critical IT environment for over 20 of the Fortune 100 organizations.

With a differentiated value proposition, *Industrialized IT Management*, ISD is positioned to address enterprise IT infrastructure requirements.

ISD is widely recognized by the analyst community as the leading Infrastructure services provider globally. The division's key service offerings include:

- **Cloud Computing Services-** Cloud consulting and assessment, migration and implementation including management and hosting of private Cloud or utility infrastructure and management of public Cloud as a part of the infrastructure services. The aggregation and management of Cloud services is executed through HCL's proprietary MyCloud platform.
- **Data Center Services**– End-to-end life cycle of services including management and hosting of customer assets, consolidation and migration services, virtualization and design and management of green data centers. These services also take care of mainframe & AS/400 management.
- **End User Computing Services**– Service desk, messaging and collaboration services, managed print services, managed desktop services, global field support, client application management services, business productivity online services, application packaging factory, Windows 7 & 8 migration and asset management.
- **Cross-Functional Services**– one of the critical services that leverage service management based on ITIL (Information Technology Infrastructure Library) based processes for centralized management of distributed assets. The services included are disaster recovery and business continuity services, service automation and governance, risk and compliance services. Many of these services are bundled with the overall services; including award-winning tools & frameworks such as MTaaS™ (Management Tools-as-a-Service).
- **Network Services–** Day 0, 1 and steady state operations across original equipment manufacturers (OEMs), enterprises and telecom service providers. Critical services in this space involve managed network services, network consulting services, network virtualization and technical product support services.
- **Information Security Services–** Managed security services, information security consulting services and identity and access management services.
- **System Integration Services** across the entire infrastructure service stack.

SNAPSHOT

- Fastest growing business line, constituting 29.2% of HCLT's revenues
- Services offered are primarily geared towards the G2000 companies and offer a credible alternative to Global MNC IT outsourcers
- Manages mission-critical environments for over 20% of the Fortune 100 organizations
- Offerings: Cloud Computing Services, End User Computing Services, Data Center Services, Network Services, Information Security Services, Cross-Functional Services, Mainframe & AS/400 Management & System Integration.
- Industries served include Automotive, Banking, Chemical, Energy (Oil & Gas) & Utility, Consumer Electronics, Financial Services, Consumer Products, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Science, Healthcare & Pharmaceuticals, Manufacturing, Media, Publishing & Entertainment, Retail, Telecom & Travel, Tourism & Logistics

ISD has successfully delivered 580+ complex IT infrastructure architecture and operations transformations and is increasingly acknowledged and recognized by Fortune 100, Fortune 500 and Global 2000 enterprises as a credible alternative to top tier global MNCs.

HCLT's ISD provides infrastructure management services to customers through a robust delivery network of service centers across the globe. Infrastructure operations include standardized management of globally distributed assets of over 5 million mission critical IT devices; resolving numerous helpdesk contacts while supporting the needs of over 1.4 million business users.

The solution spans major industries including Automotive, Banking, Chemical, Energy (Oil & Gas) & Utility, Consumer Electronics, Financial Services, Consumer Product Goods, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Science, Healthcare & Pharmaceuticals, Manufacturing, Media, Publishing & Entertainment, Retail, Telecom, Travel and Tourism & Logistics.

HCLT's fast growth has prompted several bestselling authors to include the ISD case study in their books and research.

The division has received its share of accolades:

- HCL was featured in the afterword to Nick Carr's book "The Big Switch".
- HCL Technologies is a *Leader* among Global Workplace Services Vendors-The Forrester Wave™ : Workplace Services, Q1, 2013.
- HCL has been positioned as a *Leader* in Gartner's Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America, by William Maurer, David Edward Ackerman, and Bryan Britz, August 29, 2012. In this report, Gartner examines the abilities of 20 service providers' to deliver Datacenter Outsourcing and Infrastructure Utility Services in North America, and their vision for the future of these services.
- HCL has been positioned as a *Leader* in Gartner's Magic Quadrant for Desktop Outsourcing Services, North America, by David Edward Ackerman, Helen Huntley, Bryan Britz, and William Maurer, July 24, 2012.
- HCL has been positioned as a *Leader* in Gartner's Magic Quadrant for Helpdesk Outsourcing, North America, by Helen Huntley, David Edward Ackerman, Bryan Britz, and William Maurer, July 24, 2012.
- HCL has been positioned as a *Niche Player* in Gartner's Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, Europe by Claudio Da Rold, Gianluca Tramacere and Frank Ridder, July 12, 2012.
- HCL has been positioned as a *Niche Player* in Gartner's Magic Quadrant for Desktop Outsourcing, Europe by Frank Ridder, Claudio Da Rold, and GianlucaTramacere, August 21, 2012.
- HCL has been positioned as a *Niche Player* in Gartner's Magic Quadrant for Help Desk Outsourcing, Europe by Gianluca Tramacere, Claudio Da Rold and Frank Ridder, August 29, 2012.
- HCL has been positioned as a *Challenger* in Gartner's Magic Quadrant for Communications Outsourcing and Professional Services by Eric Goodness and Christine Tenneson, December 20, 2012.
- HCL has been rated as a *Leader* in Enterprise Mobility and Cloud Computing by Zinnov as per its 'Global Service Provider Ratings (GSPR) 2012'.
- The National Outsourcing Association (NOA) has named HCL Technologies as its '2012 Outsourcing Service Provider of the Year'.
- HCL has received the '2012 Service Excellence award' from Brocade, a leader in Data Center Networking Solutions, in recognition of its significant contribution and commitment to providing multi-domain services to Brocade.
- HCL has been crowned CEVA's 'Global Supplier of the Year' in recognition of the support it has provided in the "delivery of three of CEVA's five strategic priorities in the last 12 months for true commitment to working in partnership".
- InformationWeek conferred ValueHonors™ Award on HCL's customers for infrastructure services to companies like Avago Technologies, Cummins Inc., Electrolux, Old Mutual Wealth Management, Purdue Pharma, Xerox and a Fortune 500 pharmaceutical company. InformationWeek evaluated more than 100 Fortune 1000 and Global 2000 companies across the globe for these awards. There was a stringent nomination process by which enterprises demonstrated objective evidence of value creation across five categories: Best Service Desk, Best Data Center Transformation, Best Cloud Strategy, Best Transition Management and Most Responsive to Business.

Custom Application Services

Business differentiation through IT by creating visibility, reducing IT intensity, enabling operational excellence, and distinct focus on transformation makes Custom Application Services division, a game changer at HCLT. Today HCLT's customers look at IT, not just as a percentage cost to overall spends, but more on how it can help increase revenues, reduce overall costs, and enable new business models.

The partnering approach taken by HCLT's Custom Application Services division has a proven track record of enabling customers achieve strategic control, while at the same time releasing internal IT bandwidth to focus on strategic initiatives. The division contributes

30% of HCLT's revenues and provides services across verticals such as financial services, retail and consumer products, healthcare, insurance, media and publishing, manufacturing and public services.

HCLT's Custom Application Services division uses IPs, tools, frameworks and industry best practices to provide differentiated *change-the-business, run-the-business and cross-functional IT* services to customers. By focusing on these three aspects of the customer's IT ecosystem, the division has been successful in providing committed savings on Application Management and increasing agility and adoption on Application Build engagements.

With a modular approach to design, development, testing, and rollout, HCLT's ADeX Practice (Application Development Excellence) leverages best-in-class development processes and methodologies along with benchmark tools and reference architectures, to ensure that client requirements are met with high productivity and process compliance.

To align IT with business needs, the division provides cross-functional services through collaborative governance, flexible commercial models and tools, which provide business differentiation through IT. In addition, flexible commercial models such as onsite, near-shore, offshore facilities, shared delivery centers assist in defining, realizing and sustaining business change.

SNAPSHOT

- Constitutes 30% of HCLT's revenues.
- Offerings: Application development, management, support, re-engineering, modernization, migration and independent verification & validation.
- Industries: Retail, banking, insurance, capital markets, media & publishing, manufacturing and public & healthcare services.
- Significant investments in niche technologies: e-commerce, Mobility, Cloud and Analytics.

HCLT's value-centric focus keeps it continuously investing in robust methodologies, tools and processes and best-of-breed partnerships. Skills are continuously upgraded within the practice and customers continue to enjoy faster time-to-market as they leverage HCLT's extensive research and development on methodologies, reusable components and frameworks.

Currently, HCLT is investing significantly in niche technologies such as e-commerce, Mobility, Cloud and Analytics.

Engineering and R&D Services

HCLT's Engineering and R&D Services (ERS) business unit is the largest Indian engineering service provider and constitutes 17.5% of the company's overall revenues. HCLT ERS works with some of the most innovative and successful organizations in the world. With over two decades of experience operating in complex multi-vendor environments and customer value chains, HCLT ERS is able to seamlessly integrate into a customer's existing R&D ecosystem.

HCLT ERS offers end-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering to industry leaders across industry verticals like - Aerospace & Defense, Automotive, Consumer Electronics, Industrial Manufacturing, Medical Devices, Networking & Telecom, Office Automation, Semiconductor, Servers & Storage, and Software Products. It successfully collaborates with other innovation partners, captive centers, universities, industry bodies and manufacturing partners.

HCLT ERS understands that our success as an engineering partner depends on the success of our customers' products and solutions. We believe that business success today is the result of phenomenal customer experiences. HCLT ERS combines passion for engineering to help product and technology companies drive great engineering experiences to create significant business impact and value through accelerated product launches, improved engineering efficiencies and adoption of new and disruptive technologies. A deep engineering heritage, out-of-the-box thinking, and a solid foundation of talent, processes, systems, frameworks, and tools are just a few of the reasons why some of the largest global ESO (Engineering Services Outsourcing) partnerships are with HCLT ERS. We have helped customers across industries achieve their business strategy through product engineering, platform solutions and the creation of unique engineering experiences.

Thought leadership has become one of the key differentiators as the industry moves up the value chain. HCLT ERS is committed to creating thought leadership in areas such as social media, medical devices, PLM, gesture technology, etc. We practice it by encouraging bold thinking and disruptive approaches that are needed to help our customers outperform in a rapidly changing digital economy.

We are not only involved in engineering complex and critical products for some of the largest corporations in the world, but we are also constantly pushing the boundaries of technology and defining new and differentiated ways to offer our services.

One such differentiation is our suite of solutions which takes HCL developed best practices, IPs and accelerated frameworks and packages them into service offerings that solve critical and highly relevant business problems for our customers.

SNAPSHOT

- Constitutes 17.5 % of HCLT's revenues
- One of the largest global Engineering and R&D Services organizations in the world
- Offerings: End-to-end engineering services & solutions in hardware, embedded, mechanical and software product engineering
- Key differentiator: "Engineering Experiences" [E2]
- Industries served: Aerospace & defense, automotive, consumer electronics, industrial manufacturing, medical devices, networking & telecom, office automation, semiconductor, servers & storage, and software products
- Executed Faster Product Development with automated testing processes for world's largest anti-virus company
- Filed multiple patents in Mobility and Banking
- Key IPs: AEGIS, Agora, Device Mobility Interface Framework, Website Analyzer

Our solutions cater to engineering needs across the entire product development lifecycle and provide solutions that help the customer address challenges of accelerated product development, gaining a price to benefit ratio and adapting to new technologies. HCLT is investing heavily in developing solutions to help clients impact the overall product ecosystem faster and better .Some of the focus areas of our solutions include Mobility, M2MPlatforms, Software as a Service models Cloud, NUI, etc.

HCL is placed in the Leadership Zone by a leading Analyst firm among the Automotive, Consumer Electronics, Computer Peripherals and Storage, ISV, Consumer Software, Medical Devices, Semiconductor, Cloud Computing, Enterprise Mobility and Aerospace & Defense R&D Service Providers. This is proof of the fact that HCLT ERS is capable of performing concept to Go-To-Market for the product and has significant investment in Lab infrastructure. There is niche capability across Engineering, Embedded and Software services. HCLT ERS possesses a formal innovation culture, resulting in IP's and strategic innovations and plays a leadership role in alliances, leverage startups, Specific academic research and co-creation with customers.

Business Services Division

HCLT pioneered third party BPO in India by launching its BPO division in 2001. Today, HCLT's Business Services division provides Next Generation BPO services to nearly 100 clients across various geographies and industries. We were among the first India-based IT services companies to implement the offshore development model as a method for delivering high-quality services at a relatively low cost to international clients.

HCLT's Business Services division has built its presence across multiple geographies with state-of-the-art BPO delivery centers (34 centers across India, USA, Europe, Ireland, UK, LATAM and the Philippines). HCL's Business Services division employs over 10,000 professionals equipped to offer Round the Clock services on a 'follow-the-sun' Global Delivery Model through a combination of offshore, near shore and onshore delivery centers.

Through its Business Services, HCLT today provides domain oriented, transformation-led BPO solutions and services to Fortune 500/Global 2000 customers. Through its Vertical Business Services, HCLT keeps its focus on Banking and Financial Services, Insurance and Healthcare. HCL’s ‘Enterprise function as a service’ (EFaaS) is a BPO-led offering which combines end-to-end business transformation and outcome/benefit realization. Through its Enterprise Business Services, HCLT offers horizontal BPO services such as F&A, SCM, Product Support and HRO while combining its strengths in Applications, Infrastructure and Consulting to offer BPO led transformation services to enterprises across industries with a keen focus on delivery business outcome.

Industry Recognitions

- Felicitated with the prestigious 'National Best of All Awards' on Economics of Quality at the QCI-DL Shah National Awards 2013
- Ranked in the Leaders Category of IAOP's 2013 Global Outsourcing 100
- Ranked in the Top 5 vendors for EMEA - Retail Banking BPO Market, Nelson Hall 2013
- Positioned in the 'Visionaries' quadrant in Finance & Accounting (F&A) BPO, Gartner 2013
- Leading-Edge Learning BPO provider, Gartner 2013
- Robust SCM BPO Capabilities, Everest 2013
- Major Contender in Capital Markets BPO, Everest 2012
- Major Contender in Insurance BPO, Everest 2012
- Major Contender in Capital Markets BPO, Everest 2012
- ISG lists HCL as a Top Service Provider in BPO market: TCV>$ 10m (Industry Specific)
- Major Contender in Multi-Country Payroll Outsourcing, Everest 2012
- Key vendor in APAC BPO, Gartner 2012
- 'Emerging Player' in Banking BPO, Everest 2012

SNAPSHOT

- BPO constitutes 4.4% HCLT's revenues
- Offers Next Generation BPO services to global organizations, most of which are Fortune 500/Global 2000 companies
- Areas of focus
  - BFSI, Healthcare
  - Enterprise Function as a Service (EFaaS)
  - F&A, SCM, and Product Support Services
- Innovation and improvement-led solutions
- Flexible business models, including Output and Outcome based constructs
- Risk & Compliance
- Numerous industry recognitions and awards

Enterprise Applications Services (EAS)

HCL's EAS group enables clients to operate from single, integrated technology platforms to run all aspects of their organizations. Whether in the cloud, on-demand or on-premise, the EAS group ensures all data, transactions and information required to operate best-run businesses are at the fingertips of company executives. The EAS division accounts for over 18.9% of HCL's revenues and continues to be a key area of growth.

Strategic partnerships with SAP, Oracle and Microsoft ensure that HCL can make the latest enterprise technology offerings available to its clients. These partnerships have enabled HCL to build a leading position in moving enterprise technology onto the mobile platform, allowing employees, managers and executives to access the processes and information they require in real-time on a global basis.

EAS has won several awards for its Enterprise Mobility Services. iEM, a mobile application that enables utility customers to take control of their energy consumption through the Smart Grid, won the 2011 SAP Mobility Showcase Award at the SAPPHIRE NOW event. mSAM, a mobile application that drives efficiencies for large and distributed field service operations, won the 2012 SAP Innovation Challenge for Manufacturing Mobile Apps. EAS will continue to invest in Enterprise Mobility offering clients a comprehensive range of services from mobile application development and integration to mobile application services, to fully managed mobility including provisioning, hosting, and end-user support.

EAS continues to grow from strength to strength with successful client recognitions. HCL's EAS division has won several awards within the UK and Europe. This is a great recognition of achievement in the last year including European IT Software Excellence Awards 2013 in the Mobile/Communications Solution of the Year category for its work at Police Service of Northern Ireland (PSNI). EAS and SAP relationship continues to deliver value to our customers through industry-focused excellence and orchestrated innovation through diverse resources.

HCL's client base is now looking to EAS as a transformational partner in the Oracle space. Through EAS' benefits driven approach to helping clients change their business, HCL is able to focus on business solutions powered by Oracle technology to drive tangible benefits to the business.

HCL's solution driven approach with select partners like Microsoft coupled with a continuous focus on capability development has helped provide customers with faster, better and cheaper Microsoft Dynamics CRM solutions. HCL's FinEdge™ a CRM banking solution built on the Microsoft Dynamics Platform has been a key accelerator for our customers. A similar solution accelerator focused in the Public Sector space has been a driving force for Microsoft Dynamics CRM adoption for some of our recent customers. This has helped customers to leverage the benefit of HCL capabilities and derive value from their investment in Microsoft Dynamics CRM. Microsoft Dynamics Practice has been adjudged as the CRM Partner of the Year by Microsoft in the APAC-MEA region. EAS partnership with Microsoft's Business Solutions group has been instrumental in identifying niche market opportunities to drive real customer value.

Consequently, the EAS division continues to be recognized as a global pioneer in the enterprise technology market by clients, analysts and industry associations alike.

Organizations are seeking to operate more efficiently, with broader reach, through more precise business intelligence, and with greater pace. HCL's EAS division enables it's over 200 clients to do precisely this.

SNAPSHOT

- The EAS division accounts for over 18.9% of HCL's revenues and continues to be a key area of growth
- Strategic partnership with SAP, Oracle and Microsoft
- EAS has won several awards for its Enterprise Mobility Services
- Successful client recognitions in the last few years, notably: winner of the SAP Quality Awards 2011 and 2012, IT Europa, European IT Software Excellence Awards 2012 - Enterprise Transformation Solution of the Year and Mobility / Communications Solution of the Year in 2013 and SAP UK & Ireland Run Prouder Partner Award 2012 for Human Capital Management
- EAS Oracle Practice has achieved over 20 specializations including 9 advanced specializations and has been one of the only GSIs recognized as an Oracle Enablement 2.0 Delivery Partner
- HCL EAS has a global agreement with SAP to deliver Managed Mobility Services to Improve Time to Value and Reduce Complexity for Customers
- HCL EAS has entered into global partnership with an SAP company and a global market leader in business execution cloud-based software designed for HCM
- HCL's FinEdge™ a CRM banking solution built on the Microsoft Dynamics Platform has been a key accelerator for our customers

Risks and Concerns

1. Treasury Related Risks

Risk

The Global financial position continues to remain volatile with wide swings in both directions in currencies impacting the IT industry. High volatility is likely to continue in the medium term with the added complexity of cross -currency movements in different directions.

HCL Strategy

As a risk containment strategy, HCL has taken hedges to protect its receivables and forecast revenues against the foreign currency fluctuations. This strategy ensures greater certainty in revenue collection and also provides safeguards against any unfavourable movement. The treasury department of the Company continues to track the foreign exchange movements and underlying currency exposures and takes advice from financial experts to decide its hedging strategy from time to time.

Further, there is an increased focus on Europe, Asia Pacific and Rest of World for generating business which not only insulates from dependency on a single chosen economy but also ensures that the revenue streams are denominated in multiple currencies thereby partially de-risking any single currency based operations.

2. Employee Related Risks

Risk

In the IT industry, the ability to execute projects, build and maintain client partnerships and achieve forecast operating and financial results are significantly influenced by the organization's ability to hire, train, motivate and retain highly skilled IT professionals. The market continues to be competitive in attracting suitable talent and this is compounded by the constraints around mobility on account of changing regulatory requirements.

HCL Strategy

HCL's business strategy "Employee First, Customer Second" directs our investments to retain the right skilled professionals at the right place, right time and right cost. An initiative, Program FIRST, has been shaped to provide a differentiated experience to our employees with regard to the career, performance, reward, learning and talent management practices facilitating their growth. Our continued focus on diversity and local sourcing will also help mitigate some of the risks we perceive in attracting talent globally.

3. **Regulatory Compliance Risk**

Risk

As HCL operates globally, in developed as well as developing countries with complex and varied requirements for legal and regulatory compliance and is continuously adding new geographies, there is a risk of non-compliance.

HCL Strategy

HCL has put in place a comprehensive global regulatory compliance framework to track regulatory compliance globally. Detailed checklists are available with respective process owners to ensure compliance. The Legal function helps in creating awareness of the legal and regulatory framework in the territories where the Company operates and focuses on the various local compliances related aspects faced by business entities in the respective countries.

4. **Technology Related Risks**

Risk

HCL operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes to avoid obsolescence.

HCL Strategy

The Company is not dependent on any single technology or platform. HCL has developed competencies in various technologies, platforms and operating environment and offers the wide range of technology options to clients to choose from, for their needs.

HCL's Chief Delivery Officer (CDO) has dedicated groups which provide services to various delivery teams on process, frameworks, tools and technical training in addition to driving all the transformation initiatives across the delivery organization.

- The Quality group drives continuous process improvement aligning with mature and evolving international process standards and certifications.
- The Tools group identifies appropriate tools, develops new tools and supports the tools deployed and also provides consulting and tools related training to project teams.
- The Technical Training group called Tech CEED focuses on Competency Enhancement to continually upgrade the technical competency of delivery teams and manages the Learning Management System.
- The Delivery Assurance group drives definition and implementation of new practices and frameworks for efficient and effective delivery of products and services.

Under the new Industrialized Global Delivery Initiative, the CDO groups focus on improving quality, productivity and predictability of delivery governed by six principles - standardization, lean processes, tools and automation, creating a pool of skilled people, knowledge management and continuous improvement.

The CDO groups work closely with Vertical and Horizontal lines of Business Delivery Units for adopting and implementing the latest technological enhancements in their respective domains. In addition to the in-house training and development initiatives, the Company keeps itself abreast and updated on the contemporary developments in technology landscape through participation in key technology forums and conferences.

5. **Competition Related Risks**

Risk

The overall market growth is slowing and more and more competitors are vying with each other for market share. The line is diminishing between the traditional IT services players and non-traditional players like telecom services providers, business consulting providers, hardware, software and telecom providers. Telecom players are trying to grow their IT services business, cloud players are bringing in newer and innovative delivery models, and services are becoming commoditized and industrialized. MNC IT players are increasingly developing their offshore presence, leveling the playing field with India based IT providers. Further, we are seeing competition from players in newer geographies like China, Philippines etc., which are eating away some of the Indian IT industry's market share. Because of all this, customers have more choices of technology, vendor and service models which forces every entity engaged in this business to perform to their best capabilities and to enhance them either organically or through acquisitions. More than ever, the risk of not innovating and differentiating enough could hurt the interests of the Company.

HCL Strategy

HCL has been quick to respond to the changing competitive dynamics. Our business model is increasingly shifting from the traditional outsourcing to a non-linear model and growth is being triggered by the alternative outsourcing approach. Our differentiated alternative outsourcing approach evolves from the traditional business model and has unique value propositions such as Alternative ASM, which is HCL's alternative view on managing applications, enabling a highly automated application environment to reduce the number of tickets to zero and Enterprise Function as a Service. Through this unique alternative outsourcing approach, HCL has been able to win contracts away from major incumbents, as well as new business - which is driving our growth and market share. HCL is also seeking active partnerships with game changing players in emerging areas and spaces like cloud. Through these investments and partnerships, HCL is gaining a competitive edge to stay ahead of times.

6. Physical Security

Risk

Risk to human life and assets due to high incidence of terror attacks remains a major risk for companies operating in the third world. The impact would be more on service companies due to the manpower- intensive business model applicable to IT/ ITeS companies, and the great time sensitivity of operations.

HCL Strategy

HCL has set stringent security standards for all its facilities and Offshore Development Centres. During the FY 2013, we have migrated to integrated security designs in our facilities, merging electronic security and manpower guarding, supported by robust security procedures. Well-coordinated protective response to diverse security threats is assured by ERTs (Emergency Response Teams), Facility Evacuation Plans and strengthening of Disaster Recovery and Business Continuity Plans (BCP/DR). These steps minimize the risk to human life and assets, and provide a high degree of assurance in continuity of operations with minimal disruptions.

In the FY 2014, by consolidation of our smaller facilities into our well planned and secured campuses, our ability to withstand and recover from deliberate attacks, accidents, or naturally occurring threats or incidents will increase. We also intend incorporating Crime Prevention through Environmental Design (CPTED) features in our campuses which will contribute to improved security design and greater resilience.

7. Business Continuity & Information Security

Risk

HCL is dealing in maintaining, developing and operating time critical Business and IT applications for various customers. Any natural or man-made catastrophe may halt business activities and cause irreparable damage to the brand reputation of the Company. Similarly, the vital need for confidentiality and security of confidential data both belonging to clients as well as the Company itself also pose risks of leaks, loss or compromise of information.

HCL Strategy

HCL has put in place a comprehensive Business Continuity program to ensure that it meets its Business Continuity and Disaster Recovery related requirements as assessed by the Board and as agreed with the Customers. Similarly, there is an Information Security team to assess and manage the information security and data privacy and related risks by leveraging on People, Processes & Technology.

8. Internal Control Systems and their adequacy

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the company and ensuring compliance with corporate policies.

The Company has a dedicated Internal Audit team which is commensurate with the size, nature, and complexity of its operations. Internal Audit reports functionally to the Audit Committee of the Board which reviews and approves the risk based annual internal audit plan. The Audit Committee periodically reviews the performance of the internal audit function.

The Company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

The Company's Audit committee comprising of 3 independent directors, which is a sub-committee of the Board, reviews adherence to internal control systems, internal audit reports and legal compliances. This Committee reviews all quarterly and yearly results of the Company and recommends them to the Board for approval.

PERFORMANCE TREND

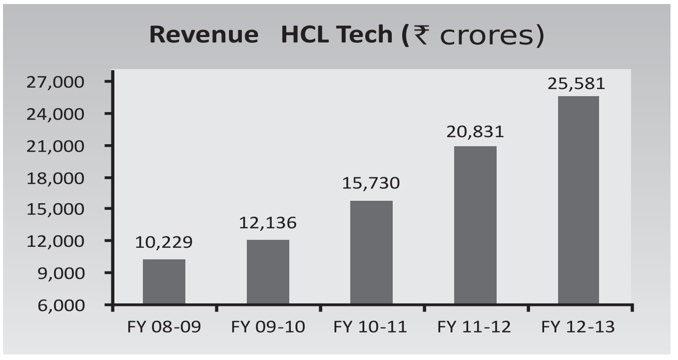
Over the years, HCL Technologies Limited has emerged from being a trusted expert, to a trusted business advisor to all its clients. Today, HCL Technologies Limited is regarded as a leading Company in the IT / ITES space in the globe.

In its journey of business success and excellence, HCL Technologies Limited has created significant wealth for all its stakeholders.

OPERATIONAL EXCELLENCE

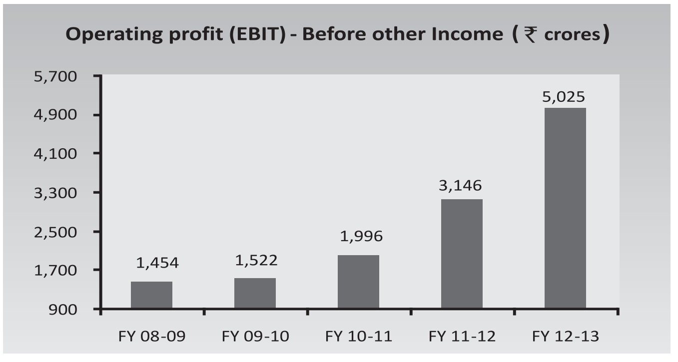
Revenue trend

Revenues grew to a record high of ₹ 25,581 crores ($ 4.67 billion) in 2012-13 a rise of almost 2.5 times from 2008-09, with a compounded annual growth rate (CAGR) of 25.8%.

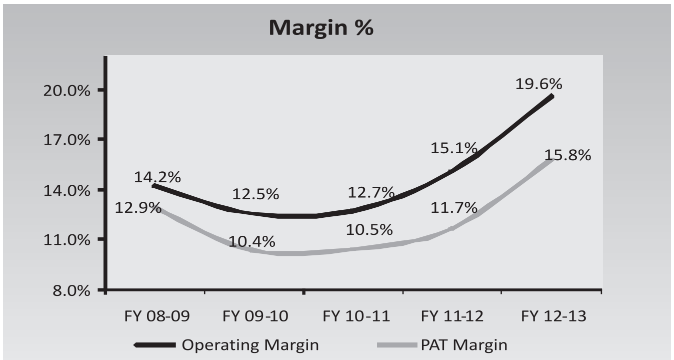


Earnings trends

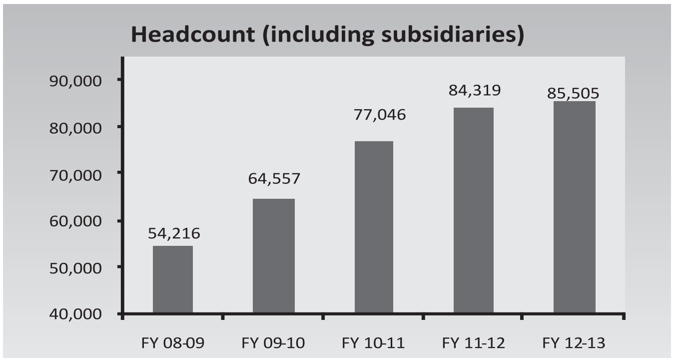
Earnings before interest and tax (EBIT) excluding other income have grown by 3.5 times from ₹ 1,454 crores in 2008-09 to ₹ 5,025 crores in 2012-13, with a compounded annual growth rate (CAGR) of 32.6%.



Operating profit (profit before interest and tax) has improved from 15.8% to 19.6% in 2012-13.

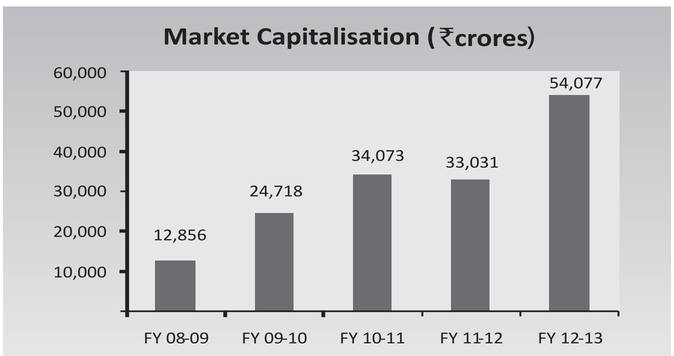


Headcount (including subsidiaries) has expanded by more than 1.6 times from 54,216 in 2008-09 to 85,505 in 2012-13.

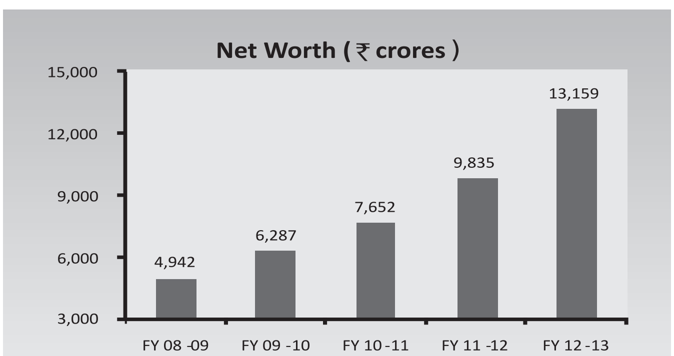


VALUE ADDITIONS SINCE FISCAL 2009

Market capitalization saw a phenomenal increase from ₹ 12,856 crores in fiscal 2009 to ₹ 54,077 crores in fiscal 2013.



The net worth of the company has more than doubled in last 4 years.



FINANCIAL PERFORMANCE

The financial results of HCL Technologies Limited as per Indian GAAP are discussed below in two parts.

- Consolidated results of HCL Technologies Limited which includes performance of subsidiaries, joint venture and associates of HCL Technologies Limited. Preparation and presentation of such consolidated financial statements depicts comprehensively the performance of the HCL group of companies and is more relevant for understanding the overall performance of HCL.
- Standalone results of HCL Technologies Limited which excludes the performance of subsidiaries, joint venture and associates of HCL Technologies limited.

Consolidated results of HCL Technologies Limited:

The Management Discussion and Analysis in this part relates to the consolidated financial statements of HCL Technologies Limited (herein referred to as "HCL" or "the Group") and its subsidiaries, joint venture and associates. The discussion should be read in conjunction with the financial statements and related notes to the consolidated accounts of HCL Technologies Limited for the year ended 30 June 2013.

Key Highlights:

In fiscal 2013, the consolidated revenues of the Group crossed ₹ 25,000 crores and achieved revenues of ₹ 25,581 crores (₹ 20,831 crores in fiscal 2012), registering a growth of 22.8%.

The consolidated profit before tax aggregated ₹ 5,270 crores in fiscal 2013 (₹ 3,210 crores in fiscal 2012) registering growth of 64.2%.

The consolidated net profit after tax for fiscal 2013 aggregated ₹ 4,040 crores (₹ 2,423 crores in fiscal 2012) registering growth of 66.7%.

In fiscal 2013, the Group's consolidated earnings per share is ₹ 58 (₹ 35 in fiscal 2012).

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Revenue from operations	25,581	100.0	20,831	100.0	22.8
Total Revenues	**25,581**	**100.0**	**20,831**	**100.0**	**22.8**
Cost of materials	959	3.7	612	2.9	56.8
Employee benefit expenses	12,574	49.2	11,105	53.3	13.2
Operating and other expenses	6,386	25.0	5,419	26.0	17.9
Depreciation and amortization expense	637	2.5	549	2.6	15.9
Total expenses	**20,556**	**80.4**	**17,685**	**84.9**	**16.2**
Profit before finance cost, other income & tax	**5,025**	**19.6**	**3,146**	**15.1**	**59.7**
Finance costs	106	0.4	143	0.7	(25.9)
Other income	351	1.4	207	1.0	70.0
Profit before tax	**5,270**	**20.6**	**3,210**	**14.4**	**64.2**
Provision for tax	1,226	4.8	783	3.8	56.7
Share of loss of associates	(0)	-	(4)	-	-
Minority interest	(4)	-	(0)	-	-
Profit after tax	**4,040**	**15.8**	**2,423**	**11.7**	**66.7**

Revenues:-

Revenues during fiscal 2013 have grown by 22.8% compared to fiscal 2012.

The Group derives its revenue from three segments viz Software, Infrastructure services and Business Process Outsourcing services. Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Software Services	16,975	66.4	14,775	70.9	14.9
Infrastructure Services	7,525	29.4	5,100	24.5	47.6
Business Process Outsourcing Services	1,081	4.2	956	4.6	13.1
Total Revenue	**25,581**		**20,831**		**22.8**

The Segmentation of software services income by delivery location is as follows:- (In %)

Particulars	Year Ended June 30	
	2013	2012
Onsite	55.2	57.2
Offshore	44.8	42.8

The segmentation of IT revenue (Software and Infrastructure Services) by project types is as follows:- (In %)

Particulars	Year Ended June 30	
	2013	2012
Fixed Price	52.0	49.2
Time and Material	48.0	50.8

Project - Type mix shows a decline in time and material - type projects. This is mainly due to the constantly changing business environment wherein customers are moving towards value based pricing rather than effort based pricing.

Geography wise breakup of revenues

The Group also reviews its business on a geographic basis. The following table classifies total revenue by geographic areas:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
US	14,798	57.8	11,243	54.0	31.6
Europe	6,790	26.6	5,528	26.5	22.8
India	1,077	4.2	949	4.6	13.5
Rest of the World	2,916	11.4	3,111	14.9	(6.3)
Total Service Revenue	**25,581**		**20,831**		**22.8**

Revenues from US Geography registered highest growth of 31.6%.

Employee benefit expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Salaries, wages and bonus	11,027	43.1	9,723	46.7
Contribution to provident fund and other employee funds	1,458	5.7	1,184	5.7
Staff welfare expenses	74	0.3	63	0.3
Employee stock compensation expense	15	0.1	135	0.6
Total	**12,574**	**49.2**	**11,105**	**53.3**

Employee benefit expenses have reduced from 53.3% of revenue in fiscal 2012 to 49.2% in fiscal 2013 driven by improved utilization of billable manpower in software division and lower stock compensation expense.

The utilization of billable manpower during the year is given below.

(in %)

Particulars	Year Ended June 30	
	2013	2012
Offshore - including trainees	77.3	72.4
Offshore - excluding trainees	78.9	75.1
Onsite	96.3	95.5

In terms of the absolute amounts, employee benefit expenses have increased to ₹ 12,574 crores in 2013 from ₹ 11,105 crores in 2012, an increase of 13.2%. The increase is primarily on account of :-

a) Strengthening of USD, GBP, EURO and other currencies against INR resulting in higher cost for employees based outside India.

b) Increase in number of employees during the year from total of 84,319 at the end of fiscal 2012 to 85,505 at the end of fiscal 2013 and

c) Increase in average cost per employee.

Operating and other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Rent	328	1.3	312	1.5
Power & fuel	229	0.9	193	0.9
Travel and conveyance	1,137	4.4	1,028	4.9
Outsourcing cost	2,842	11.1	2,394	11.5
Communication costs	285	1.1	242	1.2
Recruitment training & development	109	0.4	132	0.6
Exchange differences	-	0.0	35	0.2
Others	1,456	5.8	1,083	5.2
Total	**6,386**	**25.0**	**5,419**	**26.0**

Operating and other expenses as a percentage of revenue have reduced from 26.0% in fiscal 2012 to 25.0% in fiscal 2013, improving by 100 bps.

Outsourcing costs include a) outsourcing of several customer related activities e.g. hosting services, facilities management, disaster recovery, maintenance, break fix services, etc. in Infrastructure Division and b) hiring of third party consultants from time to time to supplement the in house teams.

These costs increased to ₹ 2,842 crores in fiscal 2013 from ₹ 2,394 crores in fiscal 2012.

Profit before Finance cost, Other Income & Tax

The Group's operating profit has increased to ₹ 5,025 crores in fiscal 2013 from ₹ 3,146 crores in 2012, a record increase of 59.7%.

Other Income

Other Income comprises interest received on deposits with banks, dividend from mutual funds and gain due to exchange fluctuations.

The details of Other Income are as follows:

(₹ in Crores)

Particulars	Year ended June 30	
	2013	2012
Interest Income	213	138
Dividend from investments	24	35
Profit on sale of current investments	16	-
Profit on sale of long term investment in Joint venture	27	-
Exchange differences	45	-
Others	26	34
Total	**351**	**207**

Interest income increased from ₹ 138 crores in fiscal 2012 to ₹ 213 crores in fiscal 2013 due to the increase in the pool of treasury investments resulting from incremental cash flow.

The Group derives over 95% of its revenues in foreign currencies while over 34% of its costs are incurred in INR. This exposes the Group to risk of adverse variation in foreign currency exchange rates.

Exchange rates for major currencies with respect to INR are given below:-

Average Rate	USD	GBP	EURO	AUD
For the year ended June 30,2013	54.89	85.95	73.25	56.07
For the year ended June 30,2012	50.59	80.83	67.43	52.41
Depreciation/(appreciation) (%)	8.5%	6.3%	8.6%	7.0%
Period Ended	**USD**	**GBP**	**EURO**	**AUD**
As at June 30, 2013	59.39	90.50	77.64	54.79
As at June 30, 2012	55.64	86.94	70.09	56.74
Depreciation/ (Appreciation) (%)	6.7%	4.1%	10.8%	(3.4%)

The Group uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year the Group realized an exchange gain of ₹ 45 crores compared to loss of ₹ 35 crores reported in operating and other expenses schedule during the previous fiscal year. These exchange gains/ losses are mainly on account of mark to market of forward covers and restatement of foreign currency assets and liabilities.

The Group also follows cash flow hedge accounting in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues. Exchange gain/ (loss) arising on those forward covers where cash flow hedge accounting is followed has been reported under revenue changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date being recognized directly in the hedging reserve account under shareholders' funds. Total unrealized exchange loss (net of tax) recognized in hedging reserve for fiscal 2013 is ₹ 489 crores and for fiscal 2012, it is ₹ 386 crores.

During the year, the Company has sold its 49% stake in its joint venture "NEC HCL System Technologies Limited" to NEC Corporation at a gross consideration of ₹ 66 crores and accordingly the Group has recognized a gain of ₹ 27 crores on sale of these investments.

TAXATION

The tax expense for 2013 was ₹ 1226 crores compared to ₹ 783 crores in 2012. Tax expense as percentage of profit before tax has reduced from 24.4% in fiscal 2012 to 23.3% in fiscal 2013.The provision for taxation includes tax liability in India and tax liabilities arising overseas. The details are as follows:

(₹ in Crores)

Particulars	2013	2012
Indian taxes	832	402
Foreign taxes	394	380
	1226	**783**

Minimum Alternate Tax (MAT) became applicable on Software Technology Parks of India (STPI) units effective from 1st April 2007 and on Special Economic Zone (SEZ) units from 1st April 2011. The Company reviewed its projected profit and loss, current tax and MAT liability for subsequent years and concluded that it is more likely than not that the Company will not be able to utilize the MAT credit of ₹ 70 crores relating to the tax year 2007-08 for which the last year of utilization is 2017-18. Accordingly, Minimum Alternate Tax (MAT) credit of ₹ 70 crores was written off in the consolidated statement of profit and loss account during the year.

FINANCIAL POSITION

Share capital:-

Authorized Share Capital of ₹ 150 crores consists of 750,000,000 equity shares of ₹ 2 each of which ₹ 139.4 crores is paid up as at the period end. During the year, employees exercised 706,352, 1,253,676 and 1,616,228 equity shares under the employee's stock options plans 1999, 2000 & 2004 respectively and 10,125 equity shares were issued to minority shareholders of a direct subsidiary on demerger of the IT enabled services division of HCL Comnet System and Services Limited and the merger of that division with the Company consequent upon approval of the scheme of arrangement by the High Court of Delhi (refer note 3.36 of consolidated financial statements for more details). Accordingly issued, subscribed and paid capital increased by 3,586,381 equity shares and share capital increased by ₹ 0.71 crores during the year.

Borrowings:-

The Company has outstanding borrowings of ₹ 1,044 crores as of 30 June 2013 and of ₹ 2,179 crores as of 30 June 2012. During the year the Company has repaid non convertible debentures of ₹ 330 crores, secured long term outstanding foreign currency loan of ₹ 560 crores (USD Equivalent 101 mn) and short term loan of ₹ 396 crores (USD equivalent 75 mn).

Fixed Assets:-

The Group has made additions of ₹ 906 crores during 2013 in the gross block of fixed assets which comprises computers, software, other equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2013 stood at ₹ 10,195 crores and capital work in progress stood at ₹ 494 crores.

The Group is in the process of developing facilities in its campuses at NOIDA, Chennai, Bangalore and Manesar. These campuses are spread over a combined area of 133 acres. 25,782 seats have already become operational at these campuses and 30,053 seats are under development at these campuses. All these campuses excluding Manesar are approved SEZ locations.

Treasury Investments:-

The guiding principle of the Group's treasury investments is safety, liquidity and return. The Group has efficiently managed its surplus funds through careful treasury operations.

The Group deploys its surplus funds primarily in bank fixed deposits and debt mutual funds with a limit on investments with any individual banks/funds.

(₹ in Crores)

Particulars	2013	2012
Debt Mutual Funds	583	546
Bonds	94	95
Fixed Deposits with Banks	2,856	1,401
Inter corporate deposits with HDFC Limited	742	100
Total	**4,275**	**2,142**

Current Liabilities:

Current liabilities excluding short term borrowing has increased by ₹ 1,239 crores (₹ 6,104 crores in fiscal 2012 to ₹ 7,343 crores in fiscal 2013), the increase is mainly on account of:

a) Increase in unrealized loss on forward covers by ₹ 222 crores in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues, mainly on account of strengthening of the USD against the INR.

b) During the year, the Group has negotiated extended credit terms with certain vendors at interest rates ranging from 1.0% to 10.0% for the extended period.

Current Assets:

Current assets excluding treasury investments and cash and bank balances increased by ₹ 1,136 crores (₹ 6,551 crores in fiscal 2012 to ₹ 7,687 crores in fiscal 2013), the increases is mainly on account of increases in trade receivables by ₹ 621 crores and unbilled receivables by ₹ 198 crores.

CASH FLOWS

Summary of cash flow statement is given below :

(₹ in Crores)

	2013	2012
Cash and cash equivalents at the beginning of the year	677	524
Net cash generated from operating activities	4,492	2,553
Net cash flows used in investing activities	(2,354)	(1,026)
Net cash flows used in financing activities	(2,086)	(1,239)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(8)	(135)
Cash and cash equivalents at the end of the period	721	677

Cash flow from operations (₹ in Crores)

	2013	2012
Operating profit before working capital changes	5,905	4,150
Effect of working capital changes	(149)	(831)
Cash generated from operations	**5,756**	**3,319**
Tax payments made	(1,264)	(766)
Net cash generated from operating activities	**4,492**	**2,553**

Backed by higher profitability and better working capital management, cash flow from operating activities increased by 75.9% from ₹ 2,553 crores in fiscal 2012 to ₹ 4,492 crores in fiscal 2013.

Cash flow from investing activities (₹ in Crores)

	2013	2012
Purchase of fixed assets	(617)	(906)
Sale / (purchase of investments)	(662)	6
Payment for deferred consideration on business acquisition	-	(101)
Proceeds from sale of stake in Joint Venture	66	-
Proceeds from sale of business	197	-
Redemption / maturity of bank deposits (net) having maturity over three months	(1,484)	(182)
Interest and dividend income	199	198
Taxes paid	(53)	(42)
Net cash used in investing activities	**(2,354)**	**(1,026)**

In fiscal 2013 the Group used ₹ 2,354 crores from investing activities (₹ 1026 crores in fiscal 2012). The significant items of investing activities are:-

- Fixed deposits with banks (net) having maturities greater than 3 months of ₹ 1,484 crores have been invested in fiscal 2013 (₹ 182 crores invested in fiscal 2012).
- Interest on deposits and dividend on investment in mutual fund received in fiscal 2013 of ₹ 199 crores (₹ 198 crores in fiscal 2012).
- During the year, the Group completed the sale of one of its divisions providing product based complete workflow automation solution that streamlines all aspects of lending and leasing operations. The Group received net proceeds of ₹ 197 crores and recognized a net loss of ₹ 13 crores in operating and other expenses.
- During the year, the Company has sold its 49% stake in its joint venture "NEC HCL System Technologies Limited" at gross consideration of ₹ 66 crores and accordingly the Group has recognised a gain of ₹ 27 crores in its consolidated statement of profit and loss under Other Income during the year ended 30 June 2013 .

Cash flow from financing activities (₹ in Crores)

	2013	2012
Proceeds from issue of share capital	34	39
Repayment of debentures	(330)	(170)
Dividend paid (including taxes)	(808)	(803)
Repayment of borrowings (net)	(898)	(279)
Interest paid	(75)	(114)
Principal payment for finance lease obligations	(9)	(89)
Net cash used in financing activities	**(2,086)**	**(1,239)**

In fiscal 2013 the Group used ₹ 2,086 crores on financing activities (₹ 1,239 crores in fiscal 2012). The significant items of investing activities are:-

- Payment of dividends including taxes ₹ 808 crores in fiscal 2013 (₹ 803 crores in fiscal 2012).
- Redemption of debentures of ₹ 330 crores in fiscal 2013 (₹ 170 crores in fiscal 2012).
- Repayment of borrowings (net) of ₹ 898 crores in fiscal 2013 (₹ 279 crores in fiscal 2012).

Standalone Results of HCL Technologies Limited:

The Consolidated Financial Statements brings out comprehensively the performance of the Group and are more relevant for understanding the Group's performance.

The discussion in the paragraphs which follow should be read in conjunction with the financial statements and related notes relevant to the standalone results of HCL Technologies Limited (herein referred to as "HCL" or "the Company") for the year ended 30 June 2013.

Key Highlights:

In fiscal 2013, the Company achieved revenues of ₹ 12,518 crores (₹ 8,907 crores in fiscal 2012), registering a growth of 40.5%.

The net profit before tax aggregated ₹ 4,451 crores in fiscal 2013 (₹ 2,361 crores in fiscal 2012) registering growth of 88.5%.

The net profit after tax for fiscal 2013 aggregated ₹ 3,705 crores (₹ 1,950 crores in fiscal 2012) registering a growth of 89.9%.

RESULTS OF OPERATIONS (STANDALONE)

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Revenue from operations	12,518	100.0	8,907	100.0	40.5
Total Revenues	**12,518**	100.0	**8,907**	**100.0**	40.5
Cost of materials	259	2.1	206	2.3	25.7
Employee benefit expenses	4,629	37.0	3,923	44.0	18.0
Operating and other expenses	3,039	24.3	2,268	25.5	34.0
Depreciation and amortisation expense	442	3.4	353	4.0	25.2
Total Expenses	**8,369**	66.8	**6,750**	**75.8**	24.0
Profit before finance cost, other income & tax	**4,149**	33.2	**2,157**	**24.2**	92.3
Finance costs	76	0.6	97	1.1	(21.4)
Other income	378	3.0	301	3.4	25.8
Profit before tax	**4,451**	35.6	**2,361**	**26.5**	88.5
Provision for tax	840	6.7	411	4.6	104.7
Profit for the year before impact of scheme of arrangement relating to earlier period	**3,611**	28.9	**1,950**	**21.9**	85.1
Impact of scheme of arrangement relating to earlier period	94	0.7	-	-	-
Profit after tax	**3,705**	29.6	**1,950**	**21.9**	89.9

During the year, consequent upon approval of the scheme of arrangement by the High Court of Delhi, the IT enabled services division of HCL Comnet System and Services Limited, a subsidiary, has been merged with that of the Company and for details, please refer to note 2.36 of standalone accounts of HCL Technologies Limited.

FISCAL 2013 COMPARED TO FISCAL 2012

Revenues:-

Revenues during fiscal 2013 have grown by 40.5 % compared to fiscal 2012.

The Company derives its revenue from three segments viz Software, Infrastructure Services and Business Process Outsourcing Services.

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2013	%	2012	%	%
Software Services	8,269	66.1	6,793	76.3	21.7
Infrastructure Services	3,549	28.3	1,538	17.2	130.7
Business Process Outsourcing Services	700	5.6	576	6.5	21.6
Total Revenue	**12,518**		**8,907**		**40.5**

Employee benefit expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Salaries, wages and bonus	4,407	35.3	3,631	40.8
Contribution to provident fund and other funds	166	1.3	126	1.4
Staff welfare expenses	41	0.3	31	0.3
Employee stock compensation expense	15	0.1	135	1.5
Total	**4,629**	**37.0**	**3,923**	**44.0**

Employee benefit expenses have reduced from 44.0% of revenue in fiscal 2012 to 37.0% in fiscal 2013 driven by improved utilization of billable manpower in software division and lower stock compensation expenses.

In terms of absolute amounts, employee benefit expenses have increased to ₹ 4,650 crores in 2013 from ₹ 3,923 crores in 2012, an increase of 18.0%. The increase is primarily on account of:-

a) Increase in number of employees during the year from total of 62,246 at the end of fiscal 2012 to 65,725 at the end of fiscal 2013 (including 3,121 employees on accounts of Demerger);

b) Increase in average cost per employee. And;

c) Includes cost of ₹ 223 crores relating to the demerged undertaking.

Operating and other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2013	%	2012	%
Rent	205	1.6	194	2.2
Power & fuel	201	1.6	154	1.7
Travel and conveyance	619	4.9	505	5.7
Communication costs	109	0.9	77	0.9
Recruitment training & development	56	0.4	52	0.6
Outsourcing cost	1,022	8.2	676	7.6
Others	827	6.7	610	6.8
Total	**3,039**	**24.3**	**2,268**	**25.5**

Operating and other expense as a percentage of revenue have reduced from 25.5% in fiscal 2012 to 24.3 % in fiscal 2013, improving by 120 bps.

In terms of absolute amounts, Operating and other expenses have increased to ₹ 3,039 crores in 2013 from ₹ 2,268 crores in 2012, an increase of 34.0%. Fiscal 2013 Operating and other expenses include ₹ 248 crores relating to the demerged undertaking.

Profit before Interest, Other Income & Tax

The Company's operating profit has increased to ₹ 4,149 crores in fiscal 2013 from ₹ 2,157 crores in 2012, an increase of 92.3%. Fiscal 2013 includes operating profit of ₹ 255 crores relating to the demerged undertaking.

Other Income

Other income comprises interest received on deposits with banks, dividend from mutual funds and gain due to exchange fluctuations.

The details of other income are as follows:-

(₹ in Crores)

Particulars	Year ended June 30	
	2013	2012
Interest Income	181	88
Dividend from investments	21	27
Profit on sale of current investments	16	-
Profit on sale of long term investment in Joint venture	56	-
Exchange differences	60	156
Others	45	29
Total	**379**	**301**

Interest income increased from ₹ 88 crores in fiscal 2012 to ₹ 181 crores in fiscal 2013 due to increase in the pool of treasury investments resulting from incremental cash flow.

The Company derives almost its entire revenues in foreign currencies while almost all the costs are incurred in INR. This exposes the Company to risk of adverse variations in foreign currency exchange rates. The Company uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year the Company realized an exchange gain of ₹ 60 crores compared to a gain of ₹ 156 crores in the previous fiscal year. These exchange gains are mainly on account of mark to market of forward covers and restatement of foreign currency assets and liabilities.

The Company also follows cash flow hedge accounting in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues. Exchange gain/(loss) arising on those forward covers where cash flow hedge accounting is followed has been reported under revenues. Changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date are recognized directly in the hedging reserve account under shareholders' funds. The total unrealized exchange loss (net of tax) recognized in the hedging reserve for fiscal 2013 is ₹ 489 crores and for fiscal 2012 is ₹ 386 crores.

During the year, the Company has sold its 49% stake in joint venture "NEC HCL System Technologies Limited" at a gross consideration of ₹ 66 crores and accordingly has recognized a gain of ₹ 56 crores in its statement of profit and loss under Other Income during the year ended 30 June 2013.

Taxation:-

The net tax expense for 2013 was ₹ 840 crores compared to ₹ 411 crores in 2012. Fiscal 2013 includes tax expense of ₹ 107 crores relating to the demerged undertaking.

FINANCIAL POSITION

Borrowings:-

Company has outstanding borrowings of ₹ 627 crores as of 30 June 2013 primarily consisting of the following:-

- Secured redeemable non convertible debentures of ₹ 10 lacs each issued in previous years for ₹ 500 Crores redeemable in trenches of 3 & 5 years with an interest cost of 8.8%. During the year the Company has repaid debentures of ₹ 330 crores.

Fixed Assets:-

The Company has made additions of ₹ 745 crores during 2013 in the gross block of fixed assets which comprises computers, software, other equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2013 stood at ₹ 4,146 crores and capital work in progress stood at ₹ 488 crores.

Treasury Investments:-

The guiding principle for the Company's treasury investments is safety, liquidity and return. The Company has efficiently managed its surplus funds through careful treasury operations.

The Company deploys its surplus funds primarily in bank fixed deposits and debt mutual funds with a limit on investments with any individual funds/banks.

(₹ in Crores)

Particulars	2013	2012
Debt Mutual Funds	402	364
Bonds	94	95
Fixed Deposits with Banks	2,653	1,017
Inter corporate deposits with HDFC Ltd.	681	100
Total	**3,830**	**1,576**

CASH FLOWS

Cash Flows from Operating Activities:-

Cash generated from operations provides the major sources of funds for the growth of the business. Net cash provided by operating activities was ₹ 4,170 crores and ₹ 2,160 crores in fiscal 2013 and 2012 respectively.

Cash Flows from Investing Activities:-

In fiscal 2013, an amount of ₹ 481 crores was invested in fixed assets.

Cash Flows from Financing Activities:-

Cash flow from financing activities in the year showed an outflow of ₹ 1175 crores against an outflow of ₹ 837 crores in 2012. These amounts include payments of final and interim dividends (including corporate dividend tax) amounting to ₹ 808 crores and repayment of debentures of ₹ 330 crores during the year (previous year ₹ 170 crores).

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting this Twenty First Annual Report together with the Audited Accounts for the year ended June 30, 2013.

FINANCIAL RESULTS

The highlights of the financial results of your Company prepared for the financial year 2012-13 are tabulated below:

(₹ in crores)

	Consolidated		Standalone	
	2012-13	**2011-12**	**2012-13**	**2011-12**
Total Income	**25,932.17**	**21,037.05**	**12,896.66**	**9,208.08**
Total Expenditure	**20,662.28**	**17,827.25**	**8,445.46**	**6,847.34**
Profit before tax	5,269.89	3,209.80	4,451.20	2,360.74
Provision for tax	(1,225.31)	(782.72)	(840.02)	(410.32)
Share of minority interest	(4.28)	(4.31)	-	-
Share of loss of associates	(0.21)	(0.07)	-	-
Profit after tax	**4,040.09**	**2,422.70**	**3,611.18**	**1,950.42**
Impact of scheme of amalgamation relating to earlier period	-	-	93.54	-
Profit for the year	4,040.09	2,422.70	3,704.72	1,950.42
Balance in Profit and Loss Account brought forward	5,390.28	4,167.94	3,185.77	2,435.71
Transfer from debenture redemption reserve due to redemption of debenture	330.00	170.00	330.00	170.00
Surplus acquired under the scheme of amalgamation			831.81	-
Amount available for appropriation	**9,760.37**	**6,760.64**	**8,052.30**	**4,556.13**
Appropriations				
Proposed final dividend [including ₹0.30 crores (previous year ₹0.29 crores) paid for previous year]	418.42	277.60	418.42	277.60
Interim dividend	416.94	552.98	416.94	552.98
Corporate dividend tax [including ₹0.05 crores (previous year ₹0.05 crores) paid for previous year]	139.82	134.74	139.82	134.74
Transfer to general reserve	380.00	195.04	380.00	195.04
Transfer to debenture redemption reserve	100.00	210.00	100.00	210.00
Balance carried forward to the balance sheet	**8,305.19**	**5,390.28**	**6,597.12**	**3,185.77**

TRANSFER TO RESERVES

For the year ended June 30, 2013, on a standalone basis, your Company has transferred ₹380 crores to the General Reserve Account. An amount of ₹100 crores has been transferred to the Debenture Redemption Reserve Account and ₹330 crores has been transferred back to the Profit & Loss Account from the Debenture Redemption Reserve Account on account of redemption of debentures. As on June 30, 2013, the balance available in the Debenture Redemption Reserve Account is ₹400 crores. An amount of ₹6,597.12 crores is proposed to be carried forward in the Profit & Loss Account.

OVERVIEW

During the financial year 2012-13, on a consolidated basis, your Company's revenues stood at ₹25,581.06 crores registering a growth of 22.80% over the previous year.

A detailed analysis on the Company's performance is included in the Management's Discussion and Analysis Report titled as "Management's Discussion and Analysis", which forms part of this Annual Report.

DIVIDENDS

Your Directors are pleased to recommend a final dividend of ₹6/-per equity share of par value of ₹2/- each for the financial year ended June 30, 2013, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. During the year under review, your directors had declared and paid three interim dividends as per the details given hereunder:

S. No.	Interim dividend paid during the year ended June 30, 2013	Rate of dividend per share (face value of ₹ 2/- each)	Amount of dividend paid (₹/crores)	Dividend Distribution tax paid by the Company (₹/crores)	Total Outflow (₹/crores)
1	1st Interim Dividend	₹ 2/-	138.81	22.52	161.33
2	2nd Interim Dividend	₹ 2/-	138.91	22.54	161.46
3	3rd Interim Dividend	₹ 2/-	139.22	23.66	162.88

The total amount of dividends (including interim dividends paid) for the year ended June 30, 2013 shall be ₹835.36 crores. Dividend distribution tax paid / payable by the Company for the year would amount to ₹139.82 crores.

SCHEME OF AMALGAMATION

During the year under review, the Hon'ble High Court of Delhi vide its order dated April 12, 2013 has approved the Scheme of Arrangement between HCL Technologies Limited, HCL Comnet Systems & Services Limited and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956 for amalgamation of the demerged undertaking of HCL Comnet Systems & Services Limited, a subsidiary of the Company into the Company. The said Order became effective w.e.f. May 17, 2013 being the date of filing of the said order with the Office of Registrar of Companies, NCT of Delhi & Haryana.

SUBSIDIARIES

HCL Technologies Chile SpA

In view of the new business prospects, the Company during the year has incorporated a step down subsidiary in Chile *viz.* HCL Technologies Chile SpA.

SUBSIDIARIES - FINANCIALS

The Company has 57 subsidiaries as on June 30, 2013. Pursuant to the circular dated February 8, 2011 issued by the Ministry of Corporate Affairs a general exemption has been granted to the companies from annexing the individual accounts of all the subsidiaries along with the audited financial statements of the Company while publishing the Annual Report subject to certain conditions as mentioned in the said circular. Your Company meets all the conditions stated in the aforesaid circular and therefore the standalone financial statements of each subsidiary are not annexed with the Annual Report for the year ended June 30, 2013.

The consolidated financial statements of the Company and its subsidiaries are attached in the Annual Report. A statement containing brief financial details of all the subsidiaries of the Company for the year ended June 30, 2013 forms part of the Annual Report. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific requests made to it in this regard by the shareholders.

CHANGES IN CAPITAL STRUCTURE

Issue of shares under Employees Stock Option Plans

During the year ended June 30, 2013, the Company allotted 35,76,256 equity shares of ₹2/- each fully paid up under its Employees Stock Option Plans. This constitutes 0.51% of the total paid up share capital of the Company as on June 30, 2013.

Issue of shares under the Scheme of Arrangement

During the year ended June 30, 2013, the Company allotted 10,125 equity shares of ₹2/- each fully paid up under the Scheme of Arrangement between HCL Technologies Limited, HCL Comnet Systems & Services Limited and their respective shareholders and creditors under section 391 to 394 of the Companies Act, 1956. This constitutes 0.001% of the total paid up share capital of the Company as on June 30, 2013.

Issued and Paid-up Share Capital

As on June 30, 2013, the issued and paid-up share capital of the Company was ₹139,37,39,714/- (previous year: ₹138,65,66,952/-) comprising 69,68,69,857 (previous year: 69,32,83,476) equity shares of ₹2/- each fully paid-up.

SHARES UNDER COMPULSORY DEMATERIALIZATION

The equity shares of your Company are included in the list of specified scrips where delivery of shares in dematerialized (demat) form is compulsorily effective from July 24, 2000, if the same are traded on a stock exchange, which is linked to a depository. As of June 30, 2013, 99.93% shares were held in demat form.

DEBENTURES

During the financial year ended June 30, 2013, the Company has redeemed the debentures worth ₹330 crores which was issued in the year 2010. The details of the debentures issued, redeemed and outstanding are given hereunder:

Date of Issue	Amount (₹ in crores)	Coupon Rate (Payable quarterly)	Maturity Date	Redeemed on
August 25, 2009	170	7.55% p.a.	August 25, 2011	August 25, 2011
August 25, 2009	330	8.20% p.a.	August 25, 2012	August 25, 2012
September 10, 2009	500	8.80% p.a.	September 10, 2014	-

A debenture trust deed in favour of IDBI Trusteeship Services Limited for the aforesaid issues was executed. The debentures are secured by way of mortgage(s) and/ or charges on the specific movable / immovable properties of the Company whether existing / future. The said debentures have been listed on Wholesale Debt Segment of the National Stock Exchange of India Limited. The Company has paid the interest due on the aforesaid debentures on time and nothing is payable as on date.

INTERNAL CONTROL SYSTEM

The Company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company has a dedicated Internal Audit team which is commensurate with the size, nature and complexity of operations of the Company. Internal Audit reports functionally to the Audit Committee of the Board which reviews and approves risk based annual internal audit plan. The Audit Committee periodically reviews the performance of internal audit function.

The Company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

The Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This Committee reviews all quarterly and yearly results of the Company and recommends the same to Board for its approval.

CORPORATE GOVERNANCE

The report of the Board of Directors of the Company on Corporate Governance is given as a separate section titled 'Corporate Governance Report 2012-13', which forms part of this Annual Report.

Certificate of the Statutory Auditors of the Company regarding compliance with the Corporate Governance requirements as stipulated in clause 49 of the Listing Agreement with the stock exchanges is annexed with the aforesaid Corporate Governance Report.

MANAGEMENT'S DISCUSSION & ANALYSIS

The Management's Discussion and Analysis is given separately and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India ("SEBI") vide its circular dated August 13, 2012 has mandated inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 100 listed companies. Pursuant to these provisions if a listed company publishes its sustainability report under GRI framework along with a mapping of the BRR as stated in the SEBI Circular, it would be treated as sufficient compliance of the aforesaid Circular.

For the financial year 2012-13, as the Company has prepared its sustainability report based on the GRI framework and the principals stated under the aforesaid SEBI circular have been mapped with the sustainability report, no separate report has been prepared by the Company. The Sustainability Report as well as mapping as stated above is available on our website at http://www.hcltech.com/socially-responsible-business/sustainability-desk.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vineet Nayar, Mr. Amal Ganguli and Mr. Subroto Bhattacharya shall retire by rotation as Directors of the Company at the ensuing Annual General Meeting and being eligible, have offered themselves for the reappointment as the Directors of the Company.

Mr. Subramanian Madhavan and Mr. Keki Mistry were appointed as Additional Directors of the Company w.e.f. January 15, 2013 and April 15, 2013 respectively. Pursuant to the provisions of section 260 of the Companies Act, 1956, Mr. Subramanian Madhavan and Mr. Keki Mistry hold the office till the ensuing Annual General Meeting and are eligible for appointment as the Directors of the Company.

AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be re-appointed. The Audit Committee and the Board of Directors recommend the reappointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors for the financial year 2013-14 for shareholders' approval.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, the dividend amounts which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 205C of the said Act. The details of the unpaid/unclaimed dividend that will be transferred to IEPF A/c in subsequent years are given in the corporate governance section of the annual report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits.

AWARDS AND RECOGNITIONS

As your Company pursues excellence relentlessly, your Company is delighted to receive phenomenal share of recognitions and awards this year, not just from the media, but also from analysts, governing bodies, academic institutions, partners and even customers. Some of the key accolades received during the year include:

- The Company has been conferred the prestigious '*ICSI National Award 2012*' for Excellence in Corporate Governance from Institute of Company Secretaries of India. This award is an acclaimed recognition for corporate practicing best corporate governance norms in both letter and spirit.

- The Company has won"*Best in Show Award*" for online video (branding) for its 'Employees First Effect' video and '*Silver Award for Best Website Features*' for its corporate website www.hcltech.com at the W^3 award. The W^3 Awards honor outstanding websites, web advertising, web videos and mobile applications.
- The Company has won the '*NASSCOM HR Award*' in the '*Glocalisers*'category for "successfully driving an integrated global employer brand while balancing the need for localization."
- The Company has been conferred with "*Asian HR Leadership Award 2012*" for '*Innovative HR Practices*'. The Company won this citation for its Talent Management application 'Pulse - The Organization Health Index'. Pulse is a one stop solution to gauge and track the health index of HCL employees based on 27 behavioral traits and 5 broad parameters such as Organization Disconnect, Compensation related, Personal Problems, Career related and Disciplinary issue.
- The Company has won the '*2012 Optimas Award for Global Outlook*' in recognition of its '*Working Across Borders*', program aimed at incubating an inclusive work-culture.
- The Company has been named as a '*Market Leader*' in the report titled "*Achieving Market Leadership in Engineering and R&D Services*" published in Oct 2012 by Frost & Sullivan. The Company emerged as the strongest India-centric Engineering Services Outsourcing Provider in this report that was attributed to its noteworthy market performance.
- The Company has won the Prestigious '*Asia Pacific Enterprise Leadership Award ("APELA") 2013*' for Corporate Social Responsibility. The APELA award recognizes and honors the achievements of companies in the areas of sustainable development, corporate responsibility, and/or corporate social responsibility.
- The Company has been conferred the '*United Nations-Women Empowerment (UN-WEP) Leadership Award 2013*', for exceptional championship of gender equality and support for Women's Empowerment Principles. The Company is the only India headquartered Company to make it to the Honor Roll for implementing innovative gender equality initiatives within a Company and Communities.

SUSTAINABILITY

Responsible corporate citizenship has been a part of our core values and sustainability has been the driving factor in many of our initiatives.Today, the sustainability office runs a multi-layered corporate program to drive our sustainability vision. We partner with multiple stakeholders to form an inclusive working group to create policies, processes and other organizational measures. We believe that responsible investments in sustainability will generate long term value for all our stakeholders by improving competitiveness and reducing risk.

In our everyday practice as a 'Responsible Business' we focus on Value-Centricity and Trust through Transparency. The initiative taken by the Company on sustainability are given in detail in the sustainability report for the year 2012-13 which is being hosted on the website of the Company.

ORGANIZATION EFFECTIVENESS

The Company sees the changing landscape and market conditions as an opportunity to build leadership in the information technology services space, through creation of robust business and people models to enhance its share of the customer wallet.

The Organization Effectiveness function is currently engaged in creating mature people models to leverage human capabilities, thereby generating higher value at the customer-employee interface, which would propel the Company into the next phase of growth globally. It includes Program First, Smart Survey and Talent Management:

Program First

The Company focuses constantly on reassessing, refreshing and reinventing organizational and individual capabilities so that it continues to offer a distinctive experience to its employees as well as to its customers. The Company is on an accelerated journey to enhance the employment experience of its people and create new benchmarks. The commitment to this will bring new opportunities and meaning to all its employees. The beliefs, behaviors and programs reinforce a culture with an entrepreneurial history - and encourage and energize each of its employees to be recognized as an 'ideapreneur' - making the Company world's largest 'Ideapreneurship'!

In the same light Program **FIRST** (Future-ready Initiatives for Results and Smart Transformation) has been initiated. Program First introduces practices that enable, empower and engage the Company ideapreneurs to drive organization to success in the future. It introduces enhancements to the career, performance, reward, talent, and learning management practices within the organization. The objective is to make employees future-ready by enhancing the Company's employment experience so as to enable individual and organizational growth.

Smart Survey

Smart Survey is a process of collating effective, constructive and integrated feedback from the employees in an organization that is crucial to the ongoing development and growth of individuals as well as the organization. The tool is built around the 3 key pillars - self, my managers and work environment. The outcome of each pillar will act as decision support tool for different stakeholders involved in different phases of employee's lifecycle. It is a one stop solution to launch new surveys, monitor existing surveys, analyze data for individual surveys, and process data across multiple surveys that provides action oriented approach to deliver on the outcomes of the survey.

Talent Management

Your Company has always believed its people to be the source of value and have followed formal talent appreciation processes geared to ensure that it has the capability, both capacity and ability, to do what it has committed to do in the immediate and more medium term future. Build / Buy / Secure / Reward / Progress / Invest decisions were taken as a result of this effort.

It has also used the occasion to move leaders from one service line to another.

The High Potential employees identified in Talent Reviews have been invited to participate in a rigorous development program for 6-18 months internally called TOPGUN. The program consists of extensive action learning, coaching, and self-reflection, as well as opportunities to build networks with peers and executives from across the organization.

LEARNING AND DEVELOPMENT

The Company's Learning & Development ("L&D") Ecosystem supports holistic employee development through a combination of Technical, Behavioral and specialized Domain training. The Company's learning interventions are fully woven around job roles and competencies required to perform these roles successfully. Further, the programs are designed on blended delivery mode, i.e., classroom, webinars, e-learning and action projects, to allow comprehensive learning opportunity and the ability to reach a global workforce.

Behavioral learning is delivered through 3 key verticals, namely, Professional Excellence, Leadership Excellence and Sales Excellence. There are over 20+ learning programs available across these verticals catering to a wide range of employees- from fresher right up to senior leadership. These are designed to impact key business outcomes and are developed with content in partnership with several world class training organizations. The Company's learning approach is unique, as it connects to the career road map of employees by allowing them to take charge of their individual learning needs to sharpen the desired competencies in their current and future roles. With reporting managers it encourages mentoring and their development in learning plays a key role in shaping the Company's leadership pipeline.

L&D is also deeply engaged in a unique 'customer connect' program which attempts to bring together senior leadership of our key clients and the Company delivery teams for greater cultural alignment, thereby resulting in better working relationships and stronger bonding, which has been highly applauded by many of our valued clients.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures of particulars as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure 1 to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

A statement of responsibility of the Directors relating to compliance with the financial accounting and reporting requirements in respect of the financial statements, as specified under section 217(2AA) of the Companies Act, 1956 inserted by the Companies (Amendment) Act, 2000, is annexed as Annexure 2 to this Report.

STOCK OPTIONS PLANS

1999 Stock Option Plan / 2000 Stock Option Plan / 2004 Stock Option Plan

The details of these plans have been annexed as Annexure 3 to this report.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Except, as disclosed elsewhere in the report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of this report.

As required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in the Annexure 4 to this Report.

ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation to the contribution made by the employees of the Company and its subsidiaries during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 1 TO THE DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

a) Conservation of Energy

(i) Green IT

Continuing its relatively new journey on GREEN IT, as a step towards environment conservation, the Company has managed to bring about a dramatic shift in the ways of working of the Company's community.

From the times of decentralized infrastructure and management with low mobility options, manually creating IDs and almost invisible penetration into virtual space, your Company has managed to create more automated ways of working and energy efficient products over time, apart from initiating consolidation of services and promoting e-waste disposal.

The current financial year has seen significant enhancements and laurels for the efforts towards GREENER pastures. With the Global IT team launching the Company's first Private Cloud service, to adopting Exchange 2010 and System Center Configuration Manager (SCCM), to enhanced mobility in the form of Live Meeting, mp-India, Lync and RMS, to initiating VDI deployment, the efforts have been acknowledged across the Industry. An insight into the few industry wise acknowledgements that were given to the Company for its initiatives are as under:

Cloud Leadership Award - INFLEXION 2013

- GIT CLOUD Team won 1st Prize and Cash prize of ₹ 1 Lakh as "Cloud Leadership Award" by 9.9 Media at INFLEXION - 2013 held at India Habitat Centre, New Delhi, competing across 23 Cloud initiatives from across India.

Cisco Rainmaker Award

- GIT Cloud awarded by Cisco, for excellence in adopting next generation DC and Cloud technologies.

EMC World Forum

- GIT Cloud awarded as Best Project by IDG at EMC World Forum held at Mumbai.

CISCO CLOUD Connect - MPLS

- MPLS awarded as BEST Project to adopt new technology.

CISCO CLOUD Connect - Telepresence

- Telepresence awarded as the BEST End User initiative to support cost reduction initiatives in the Company.

(ii) Building Infrastructure:

Building use is responsible for half the consumed energy and half the greenhouse gas production in the world every year. The Company ensures that energy saving paraphernalia/features are incorporated in the design stage itself. By being energy conscious, the production of countless carbon dioxide, nitrogen oxide and sulphur dioxide greenhouse gas emissions is prevented. Being energy conscious starts with the right fit-up decisions:

- Having reliable controls meter installed and connected to have access to the information about water, heating, gas and electricity use.
- Designing and selecting the HVAC system and lighting equipment to maximize energy performance.
- Installing energy efficient light fixtures (e.g. LEDs, T-5 ballasts, and compact fluorescents).
- Installing day lighting sensors that can dim and/or turn off lighting if sufficient daylight is present. Use occupancy sensors to control lighting in areas where occupancy is more intermittent (like washrooms, storage spaces, janitor rooms, etc.) to ensure that lights are not left on unnecessarily.
- Designing for individual control of lighting, heating, cooling and ventilation to provide for individual comfort, productivity and wellbeing.
- Purchasing energy efficient appliances (e.g. Energy Star photocopiers, printers, fax machines, computers, etc.) which also have sleep mode embedded into it.
- Choosing LCD computer screens which have dual energy savings - they use 1/3 less energy in operations than CRT monitors and produce less heat, resulting in reduced cooling needs.
- Making computer settings so that when they are inactive for a period of time they go to 'sleep' or 'turn off'mode.

(iii) Carbon Footprint measurement

Your Company has formed a Green Council to address the response to Global Warming. The measurement is being done by using Company's developed Carbon accounting framework, Manage Carbon.

Manage Carbon, an IT solution around GHG Protocol for corporate standard, was developed and deployed for measuring and reporting carbon emissions. The technologies used in the solution are primarily open-source technologies to keep a low cost footprint. It integrates with various other enterprise applications containing electricity data, travel data, fuel data etc., using multiple approaches ranging from database level integration to web services based integration (both push and pull modes), in addition to providing options for direct entry of information. This tool has been successfully piloted and helped the Company to monitor and report on carbon emissions.

b) Research and Development ("R & D")

(i) Specific areas in which R&D was carried out

Your Company is one of the few Indian companies with significant focus on engineering services. The Engineering, Research and Development Services group offers end-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering to industry leaders across aerospace and defence, automotive, consumer electronics, industrial manufacturing, medical devices, networking and telecom, office automation, semiconductor, servers, storage and software products.

Your Company understands the importance of R&D in augmenting its customers businesses and is committed to providing these world-class services to them. Over a decade of operating in complex multi-vendor environments and customer value chains, we have the ability to seamlessly integrate into their existing R&D ecosystem, working with other innovation partners, captive centers, universities, industry bodies and manufacturing partners. The Company has started a delivery unit with a dedicated team to focus on verification and validation requirements of OEMs and ISVs.

Your Company foresees a shift towards clients preferring outsourcing companies to share their long-term vision, risks, and rewards in developing product-based ecosystems that impact client-experience. Towards this, your Company is investing heavily in developing its own IPs and solutions to help customers' impact the overall product ecosystem faster and better. This include service innovation to accelerate the product development process for the customers, provide a better value for their engineering investments and support their technology leadership through niche services. Few key solutions developed by this team include a M2M stack, product intelligence and analytics, test automation platforms and acceleration framework for mobile development & testing.

(ii) Benefits derived as a result of above R&D

Your Company's solutions and frameworks are focused in creating value to customers in specific micro verticals. The direct benefits to our customers include quicker time to market, reduced cost, increased quality and increased efficiency of customer business processes. The solutions like Business Aligned IT will result in enhanced business performance through improved KPIs, visibility, discovered landscape, stability, cost reduction and structured business future planning.

(iii) Future plan of action

Your Company will continue to focus on R&D activities and will make investments therein from time to time.

(iv) Expenditure on R&D for the years ended June 30, 2013 and 2012 are as follows:

(₹ in crores)

Particulars	June 30, 2013	June 30, 2012
Revenue expenditure	157.92	167.81
Capital expenditure	-	-
Total R&D expenditure	**157.92**	**167.81**
R&D expenditure as a percentage of revenues	**1.26%**	**1.88%**

c) Technology absorption, adaptation and innovation

Your Company's core businesses demand absorption of emerging technologies to stay at the cutting edge of technology. New methods for absorbing, adapting and effectively deploying new technologies have been developed. Your Company has made investments in applications and other software tools required for engineering design work in all its software development centres.

d) Foreign exchange earnings and outgo

Your Company is an export-oriented unit and the majority of the Information Technology and Business Process Outsourcing services by the Company are for clients outside India.

Activities relating to exports, initiatives taken to increase the exports, development of new export markets for products and services and export plans-

During the year, a substantial portion of the revenue of the Company was derived from the exports. During the year, your Company has set up a subsidiary in Chile to enhance its business. The various global offices of the Company are staffed with sales and marketing specialists, who promote and sell services to large international clients.

The foreign exchange earned and spent by the Company during the year under review is as follows:

(₹ in crores)

Particulars	June 30, 2013	June 30, 2012
Foreign exchange earnings	**11,381.19**	**8,384.17**
Foreign exchange outgo		
- Expenditure in foreign currency	1,131.64	884.04
- CIF value of imports	133.95	200.28
- Dividend remitted in foreign currency	120.06	120.66
	1,385.65	**1,204.98**

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 2 TO THE DIRECTORS' REPORT

Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956 as inserted by the Companies (Amendment) Act, 2000

i) The financial statements have been prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the Company. There have been no material departures from prescribed accounting standards while preparing these financial statements;

ii) The Board of Directors has selected the accounting policies described in the notes to the accounts, which have been consistently applied, except where otherwise stated. The estimates and judgments relating to the financial statements have been made on a prudent basis, in order that the financial statements reflect in a true and fair manner, the state of affairs of the Company as at June 30, 2013 and the profit of the Company for the year ended on that date;

iii) The Board of Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on the historical cost convention, as a going concern and on the accrual basis.

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 3 TO THE DIRECTORS' REPORT

DETAILS ON STOCK OPTION PLANS

1999 Stock Option Plan / 2000 Stock Option Plan / 2004 Stock Option Plan

Pursuant to the approval of the shareholders, your Company had instituted the 1999 Stock Option Plan ("1999 Plan"), 2000 Stock Options Plan ("2000 Plan") and 2004 Stock Option Plan ("2004 Plan") for all eligible employees of the Company and its subsidiaries. The 1999 Plan, 2000 Plan and 2004 Plan are administered by the Compensation Committee of the Board and provide for the issuance of 20,000,000, 15,000,000 and 20,000,000 options, respectively.

Each option granted under the 1999 Plan, 2000 Plan and 2004 Plan, entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Compensation Committee.

The details of the options granted under the 1999, 2000 and 2004 Plans are given below:

S. No.	Description	1999 Plan	2000 Plan	2004 Plan
1	Total number of options granted (gross)	26,600,874	17,747,401	8,416,132
2	The pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
3	Number of options vested	17,529,862	10,466,138	4,474,705
4	Number of options exercised	13,671,912	7,001,679	4,105,543
5	Total number of shares arising as a result of exercise of options	**54,687,648**	**28,006,716**	**16,422,172**
6	Numbers of options lapsed	12,604,540	10,162,467	2,072,388
7	Variation in terms of options	None	None	None
8	Money realized by exercise of options (₹ crores)	497.90	404.55	11.35
9	**Total number of options in force as on June 30, 2013**	**324,422**	**583,255**	**2,238,201**
10	Grant to Senior Management			
	Number of Options	1,967,175	254,904	2,979,600
	Vesting Period	110 Months	104 Months	96 Months

The diluted earnings per share were ₹ 52.45 and ₹ 27.72 for the fiscal years ended June 30, 2013 and June 2012 respectively.

HCL TECHNOLOGIES LIMITED EMPLOYEES TRUST

In April 2001, HCL Technologies Limited Employees Trust ("Trust") was formed for the purpose of acquiring the shares of the Company and thereby providing such shares to the eligible employees and directors of the Company and/or its subsidiaries at any time pursuant to the Stock Option Plans of the Company. The Company would provide this Trust interest free loan(s) from time to time up to a limit of ₹150 crores for this purpose.

As on June 30, 2013, an amount of ₹ 6.52 crores is outstanding as loan from the Company and Nil shares of the Company are held by the Trust. The Company has made provision of ₹ 6.52 crores against the same.

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)

Details of Stock Option Plans for the year ended June 30, 2013

Particulars	1999 Plan	2000 Plan	2004 Plan
Total number of options outstanding as on July 01, 2012	**536,630**	**1,024,030**	**3,605,488**
Number of options granted during the year	-	-	21,220
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
Number of options vested during the year	-	-	256,600
Number of options exercised during the year	176,588	313,419	404,057
Total number of shares arising as a result of exercise of options during the year	706,352	1,253,676	1,616,228
Number of options lapsed during the year	35,620	127,356	984,450
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ crores) (includes issued through Trust)	11.28	19.37	0.71
Total number of options in force as on June 30, 2013	**324,422**	**583,255**	**2,238,201**
Employees granted options equal to 5% or more of the total number of options granted during the year	None	None	None
Employees granted options equal to or exceeding 1% of the issued capital during the year	None	None	None
Fair value compensation cost for options granted (₹ crores)	N.A.	N.A.	4.05
Weighted average exercise price of options granted above market price	N.A.	N.A.	N.A.
Weighted average fair value of options granted above market price	N.A.	N.A.	N.A.
Weighted average exercise price of options granted at market price	N.A.	N.A.	N.A.
Weighted average fair value of options granted at market price	N.A.	N.A.	N.A.
Weighted average exercise price of options granted below market price (₹)	N.A.	N.A.	8.00
Weighted average fair value of options granted below market price (₹)	N.A.	N.A.	1,914.35
Method and significant assumptions used during the year to estimate the fair values of options			
Method	Black schole	Black schole	Black schole
Significant assumptions			
Risk free interest rate	7.78%	7.78%	7.78%
Expected life	upto 50 months	upto 50 months	upto 50 months
Expected Volatility	36.88%	36.88%	36.88%
Expected Dividend	2.46%	2.46%	2.46%
The price of the underlying options in market at the time of grant (₹)	N.A.	N.A.	N.A.

Pre IPO Details of Stock Option Plan

Particulars	As on June 30, 2013 ESOP 1999 Plan
Number of options granted pre IPO	14,223,832
Pricing formula	Internal valuation
Number of options vested	11,648,957
Number of options exercised	10,234,702
Total number of shares arising as a result of exercise of options	40,938,808
Number of options lapsed	3,989,130
Variation in terms of options	None
Money realised by exercise of options (₹ crores)	259.41
Total number of options in force as on June 30, 2013	-
Fair value compensation cost for options granted (₹ crores)	43.96
Weighted average exercise price of options granted (₹)	255.00
Weighted average fair value of options granted (₹)	36.65
Method used to estimate the fair values of options	Black-Scholes Method
Significant assumptions	
Risk free interest rate	10.00%
Expected life	12 to 110 months
Expected volatility	-
Expected dividends	0.10%

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)

Employee Compensation Cost based on fair value of the options

		Year ended 30 June, 2013
		(₹ crores)
Net income, as reported		
Add: Stock-based employee compensation expense included in reported net income		14.97
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards		16.79
Proforma net income		**(1.82)**
Earnings per share		₹
As reported	- Basic	53.32
	- Diluted	52.45
Adjusted proforma	- Basic	53.30
	- Diluted	52.43
Method and significant assumption used during the year estimate the fair values of options		Black-Schole Method
Significant assumptions		
Dividend yield %		2.46%
Expected life		upto 50 months
Risk free interest rates		7.78%
Volatility		36.88%

Details of options granted to Senior Managerial Personnel of the Company during the year ended June 30, 2013	
Name of Employee	**No. of Options**
Prithvi Harkirat Singh	10,000
	10,000

Details of options granted to employees amounting to 5% or more of the options granted during the year ended June 30, 2013.	None

Details of options granted to employees during the year ended June 30, 2013, amounting to 1% or more of the issued capital of the company at the time of the grant.	None

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 4 TO THE DIRECTORS' REPORT

INFORMATION FOR DIRECTOR'S REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2012-13

S. No	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
1	Amit Roy	54	Senior Vice President-Taxation	B.Com, CA	11,026,564	16.07.2007	29	Samsung Electronics Ltd.	VP - Taxation	Sep.06
2	Anil Kumar Chanana	55	Chief Financial Officer	CA	25,631,070	01.10.1998	32	HCL Technologies America Inc.	Executive Vice President	Dec.85
3	Anup Dutta	54	Executive Vice President	BE-Electrical, M.Tech - Electrical	8,199,396	01.07.1996	32	HCL Hewlett Packard Ltd.	Senior Manager	Jul.81
4	Apparao V V	51	Executive Vice President	B.Tech, M.Tech	11,381,162	10.03.2003	29	Ascend Technologies Ltd.	Director/Center Head	Aug.96
5	Dilip Kumar Srivastava	54	Corporate Vice President	MSW (HR & IR)	11,591,254	07.06.2005	32	Vanguard Solutions Ltd.	Vice President - HR	May.05
6	Gade Hanumantha Rao	55	President - ERS	BE - Electronics	10,851,091	01.07.1996	32	HCL Hewlett Packard Ltd.	Senior Manager - R&D	Nov.80
7	Harekrishna Rajagopalachar Sadarahall	44	Vice President	BE - Mechanical	8,856,245	09.01.2012	23	Allegis Services India Pvt. Ltd.	Executive Vice President	Mar.09
8	Kandukuri Venkata Subrahmanyam	45	Senior Vice President	MS - BITS, Pilani	8,596,634	08.04.2011	23	Mphasis	Vice President	Mar.06
9	Kannan Veeraraghavan	55	Chief Quality Officer	B.Com & Certificate courses	6,933,641	01.08.2005	31	KPMG Peat Marwick	Executive Director - Software Process	Jun.95
10	Manoj Kumbhat	46	Senior Vice President & CIO	MBA - Finance	21,786,540	28.03.2012	19	Pepsico	CIO	Mar.06
11	Mukund Garg	43	Vice President	BE/BTech - Electrical	6,375,205	18.02.2008	21	Satyam Computer Ltd.	Associate Vice President	Jun.04
12	Naresh Nagarajan	50	Senior Vice President	BE-Mechanical, MS - Computers	9,061,788	11.04.2011	24	Self Employed	Founder Chief Consultant	Jul.09
13	Naveen Narayanan	41	Global Head - Talent Acquisition	MBA - General Management	11,757,828	14.03.2012	20	Accenture Services Pvt.Ltd.	Sr. Principal Consultant	Apr.06
14	Prahlad Rai Bansal	56	Corporate Vice President	CA	6,166,914	30.08.2000	34	HCL America Inc.	Vice President	Nov.97
15	Prithvi Harkirat Singh	46	Chief Human Resources Officer	MBA	23,662,622	19.04.2012	23	Accenture Services Pvt.Ltd.	Partner - Human Resources	Jan.04
16	Raj Kumar Malik	53	Senior Vice President	B.Tech - Electrical	6,869,474	28.07.1997	31	Commonwealth Bank	Project Manager	May.96
17	Rajesh Gupta	53	Vice President - Taxation	CA	7,408,903	17.03.2010	27	JSL Limited	VP Taxation	May.09
18	Rajiv Mahajan	53	Sr. Vice President & Director-Infrastructure Projects	BE (Hons.) Civil, M.Sc (Hons.) - Economics	12,387,707	22.11.2010	28	Advance India Pvt. Ltd.	President Projects	Jan.10
19	Rajiv Sodhi	54	Sr. Corporate Vice President & Chief Customer Officer	B.Tech, MBA - Marketing Management	11,837,502	24.07.1997	32	Tata Consultancy Services Ltd.	Manager Systems	Aug.81
20	Ramakrishna Venkatraman	61	Sr. Corporate Vice President & Chief Delivery Officer	M.Tech - Electrical Engg.	10,741,184	23.07.2003	39	Eximsoft Technologies Pvt.Ltd.	Managing Director	Apr.97
21	Rangarajan Vijayaraghavan	48	Senior Vice President	MA	9,607,183	22.05.2009	26	Satyam Computer Services Ltd.	Vice President	May.99
22	Sandip Gupta	54	Sr.Corp.Vice President - Business Finance	CA	12,537,742	01.10.2005	31	HCL Comnet Systems & Services Ltd.	Vice President	Oct.98
23	Satish Chandrasekaran	46	Senior Vice President-Head of Retail Delivery	MBA - Business Administration	12,409,416	14.01.2010	25	Target Corp. India Pvt.Ltd.	Vice President	Aug.07
24	Shiv Nadar	67	Chairman & Chief Strategy officer	Electrical Engineer	119,006,898	13.09.1999	44	HCL Infosystems Ltd.	Whole time Director & CEO	Aug.87
25	Sriram Subramanian Vaitheeswarankovil	56	Sr. Corporate Vice President & Chief Customer Officer - Financial Services	MBA - Management	9,536,279	01.10.2001	35	Citicorp Overseas Software Ltd.	Centre Head	Nov.88
26	Subramanian Gopalakrishnan	46	Vice President - Finance	CA	6,566,244	09.12.2010	23	Satyam Computer Services Ltd.	Vice President - Finance	Jun.05
27	Tom Nedumattathil Thomas	49	Senior Vice President	MBA - Marketing Management	6,301,518	01.08.2005	25	HCL Technologies America Inc.	BDM	Apr.99
28	Udayakumar Nalinasekaren	53	Executive Vice President	ME - Computer Science	9,460,283	02.07.1984	28	Hewlett Packard Ltd.	Group Project Manager	Jul.84
29	Varanasi Guru Venkata Subbaraya Sharma	49	Vice President - Internal Audit	ICWA - Auditor	7,002,591	24.01.2011	22	ATC Tires Pvt Ltd.	Vice President - Internal Audit	Jun,10
30	Vineet Nayar	50	Vice Chairman & Joint Managing Director	MBA	82,923,810	01.08.2008	28	HCL Comnet Systems and Services Ltd.	Chief Executive Officer	Jan.95
31	Vijay Anand Guntur	45	Senior Vice President	M.Sc-(Computer Science), MBA	7,730,417	14.07.1994	24	HCL Hewlett Packard Ltd.	Deputy Manager	Jun.89
32	Vineet Vedprakash Sood	46	Senior Vice President - Treasury	ICWA - Finance	7,706,276	25.11.2010	22	Tata Consultancy Services Ltd.	Treasurer	Mar.06

Annexure 4 To The Directors' Report (Contd.)

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2012-13

Sr. No	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
1	Anant Gupta	48	President And Chief Executive Officer	M.Sc (Engineering)	41,456,082	25.07.2012	25	HCL Comnet Systems & Services Ltd.	President	Nov.93
2	Ananth Vaidyanathan	44	Senior Vice President	BE - Electronics	2,163,571	21.05.2007	23	Infosys Technologies Ltd.	Associate Vice President	Jan.92
3	Hitesh Jain	42	Vice President	BE - Electronics	3,647,035	03.12.2009	17	IBM Malaysia	Leader Mbps - Asean	Mar.09
4	Prateek Aggarwal	46	Executive Vice President	MBA(PGDM) - Finance	6,401,179	01.10.2012	22	Hexaware Technologies Ltd.	Chief Financial Officer	Jun.08
5	Rahul Singh	50	President - Business Ser. & Fin.Ser. Sales	MBA - Finance	29,361,910	03.05.2010	27	TCS - Eserve Ltd.	CEO & Managing Director	Apr.08
6	Ramamurthy Vaidyanathan	58	Executive Corporate Vice President & Chief Cost Officer	BE - Metallurgy	8,849,970	01.07.1996	35	HCL Hewlett Packard Ltd.	Dy. General Manager - R&D	Jul.81
7	Sanjeev Nikore	53	Sr. Corporate Vice Presdient & President-Consumer & Manufacturing	MBA	7,592,146	03.09.2012	31	HCL Great Britain Ltd.	Senior Corporate Vice President	Sept.10
8	Vijaya Reddy Mulumudi	50	Vice President	MBA - Finance	3,416,002	02.11.2011	28	SAP India Pvt Ltd.	Head of Delivery	Dec.96

Notes:
1. None of the employees listed above is a relative of any director of the Company.
2. The nature of employment is contractual in all the above cases.
3. None of the employee listed above owns 2% or more of the paid-up equity share capital of the Company.
4. The above statement covers the remuneration paid by the Company and not by any subsidiary/ies.

For and on behalf of the Board of Directors

Noida (U.P.), India
July 31, 2013

SHIV NADAR
Chairman and Chief Strategy Officer

CORPORATE GOVERNANCE REPORT 2012-13

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholders value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building efficient and sustainable environment.

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. Effectiveness of the Corporate Governance in our Company depends on regular review, preferably regular independent review. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. The Company considers the maintenance of fair and transparent corporate governance to be one of its most important management issue, and enhance its organizational systems and structures accordingly. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

Philosophy on Code of Governance

Our Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosures levels. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries in which we operate.
- Management is the trustee of the shareholders' capital and not the owner.

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

The Company has been conferred the prestigious ICSI National Award for Excellence in Corporate Governance for the year 2012. This award is an acclaimed recognition for the Company's proactive and contributive capabilities, internal excellence, innovation and value creation for stakeholders, fundamental qualities of governance ethos, vision and sustainability. The award, instituted by the Institute of Company Secretaries of India (ICSI) is an acclaimed recognition for corporates practicing best corporate governance norms in both letter and spirit that will create and establish an atmosphere of good corporate citizenry.

Board of Directors ("Board")

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through strategic supervision of the Company and its subsidiaries.

Our Company is headed by an effective Board that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in our governance practices, under which we strive to maintain an active, informed and independent Board. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

Board Size and Composition

The Board of Directors ("Board") is at the core of our Corporate Governance practices and oversees how the management serves and protects the long term interests of all our stakeholders. We believe that an active, well- informed and independent Board is necessary to ensure highest standards of Corporate Governance.

The Board of the Company has an optimum combination of Executive and Independent Non- Executive Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. During the year, a majority of the Board comprised of independent Directors. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, standards of the Company, conduct etc. The Company has adopted the definition of independent director as mentioned under clause 49 of the listing agreement and all the independent directors of the Company have certified their independent status to the Board.

As on June 30, 2013, the Board consisted of eleven members, of which, one is the promoter director who is designated as

Chairman & Chief Strategy Officer of the Company and one is the Executive Director who is designated as the Vice Chairman and Joint Managing Director. The other nine directors are Independent Non-Executive Directors. The Company has appointed one Non- Executive Director in its meeting held on July 29-31, 2013 and with the said appointment, the total number of directors has gone upto twelve. The Non-Executive Directors bring an external and wider perspective in Board deliberations and decisions. The size and composition of the Board conform to the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

Composition of the Board and the Directorships held:

Name of Director	**Position in the Company**	**Directorships in Indian public limited companies** (including HCL Technologies Ltd.)	**Directorships/ memberships in all other companies/ trust/other entities** (including overseas companies)	**Committee memberships*** (including HCL Technologies Ltd.)	**Chairmanship in committees** (including HCL Technologies Ltd.)#	**No. of shares held (of ₹ 2/- each)**
Mr. Shiv Nadar	Chairman & Chief Strategy Officer	1	26	1	-	184
Ms. Roshni Nadar Malhotra^^	Non Executive Director	1	26	-	-	174
Mr. Vineet Nayar$	Vice-Chairman	1	-	1	-	10,00,000
Mr. Subroto Bhattacharya	Independent Non Executive Director	1	1	1	1	66
Ms. Robin Abrams	Independent Non Executive Director	1	5	1	-	Nil
Mr. Amal Ganguli	Independent Non Executive Director	12	4	6	4	Nil
Mr. R. Srinivasan	Independent Non Executive Director	3	16	2	-	Nil
Mr. Sudhinder Krishan Khanna	Independent Non Executive Director	6	3	1	1	Nil
Mr. Sosale Shankara Sastry	Independent Non Executive Director	1	4	-	-	Nil
Mr. Srikant Madhav Datar	Independent Non Executive Director	1	3	-	-	Nil
Mr. Subramanian Madhavan^	Independent Non Executive Director	1	1	1	-	Nil
Mr. Keki Mistry**	Independent Non Executive Director	15	4	6	4	Nil

Note: Mr. Shiv Nadar and Ms. Roshni Nadar Malhotra are related as Father and Daughter, respectively. No other Director is related to any other Director on the Board.

** represents membership of Audit Committee and Shareholders' Grievance Committee of Indian public limited companies.*

 # represents chairmanship of Audit Committee and Shareholders' Grievance Committee of Indian public limited companies.

^ Appointed as an Additional Director w.e.f. January 15, 2013.

*** Appointed as the Additional Director w.e.f. April 15, 2013.*

^^ Appointed as the Additional Director w.e.f. July 29, 2013.

$ Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013.

Brief Profile of the Board Members

Shiv Nadar

Mr. Shiv Nadar, aged 68 years, is an Electrical Engineer from Coimbatore in South India. Mr. Shiv Nadar established HCL as a startup in 1976. Acknowledged as a visionary by the IT industry and his peers, Mr. Shiv Nadar has often made daring forays based on his conviction of the future. The University of Madras and IIT Kharagpur awarded him an Honorary Doctorate Degree in Science for his outstanding contribution to IT in India. Mr. Nadar was conferred the **Padma Bhushan Award - the third highest civilian honor** conferred by the President of India in January 2008, in recognition of not just his contribution to trade & industry in India but also his deep commitment to public good. Determined to give back to the society that supported him, Mr. Nadar has been quietly supporting many significant social causes through the **Shiv Nadar Foundation**. The Foundation has established the not-for-profit SSN College of Engineering in Chennai, ranked among India's top fifteen private engineering colleges. The Foundation is also running "**VidyaGyan**" schools in Uttar Pradesh that provide free, world class education to rural toppers from economically disadvantaged backgrounds. He also very strongly supports initiatives for the girl child and the empowerment of women.

Ms. Roshni Nadar Malhotra

Ms. Roshni Nadar Malhotra, aged 31 years is a CEO and Executive Director of the HCL Corporation Pvt. Ltd. She brings a global outlook, strategic vision and passion for business, social enterprise and institution-building to her varied roles at HCL Corporation and the Shiv Nadar Foundation. Ms. Roshni is also a Trustee of the Shiv Nadar Foundation, which among its transformational educational initiatives has established the SSN Institutions in Chennai, today among the top private engineering and business schools in India, the interdisciplinary Shiv Nadar University in the National Capital Region of Delhi, VidyaGyan schools in Uttar Pradesh, Shiv Nadar Schools and the iconic Kiran Nadar Museum of Art.

She is the driving force behind the VidyaGyan schools in Uttar Pradesh, a radical initiative to induct and transform meritorious rural children from economically challenged backgrounds and create leaders of tomorrow. As a representative of the Shiv Nadar Foundation, she was involved in a joint initiative with the Rajiv Gandhi Foundation to promote the education of the Dalit and Muslim girl child in some of the most backward districts in the State of Uttar Pradesh in India. Ms. Roshni is a MBA from the Kellogg Graduate School of Management with a focus on Social Enterprise and Management & Strategy. At Kellogg, she received the Dean's Distinguished Service Award.

Mr. Vineet Nayar

Mr. Vineet Nayar, aged 51 years, has a Bachelor's degree in Technology and a Masters degree in Business Administration. He played a key role in enabling HCL to enter into the business for providing IT infrastructure and networking services and today HCL is highly placed in Remote Infrastructure Management space. He has emerged as a global thought leader and has been lauded by governments, business publications and influencers worldwide for his visionary strategy, ability to create an entrepreneurial culture, and warm-hearted, straight-talking approach; with his book "***Employees First, Customers Second***" receiving rich praise from influencers like the late C.K. Prahalad, Tom Peters, Gary Hamel, Ram Charan and Victor Fung.

This value driven leadership however has not been restricted to the corporate world, with Vineet establishing a non-profit organization called SAMPARK in 2004. SAMPARK, under its vision of "creating a million smiles" is working with ill equipped schools in India to improve the quality of education through the "Teach the Teacher" program; investing in basic infrastructure and creating science labs in schools. SAMPARK also funds engineering education for students by providing scholarships to meritorious students, thereby increasing the opportunity for young and bright minds to further their education. This commitment has seen Vineet being honored with the "**Beacon of Hope**" award by the 2009 Asha for Education, NYC/NJ Chapter.

Mr. Subroto Bhattacharya

Mr. Subroto Bhattacharya, aged 72 years, is a Chartered Accountant. He spent his early career with DCM Limited where he rose to the position of a Director on its board. In the late eighties, he joined the HCL Group and subsequently joined the Board of the flagship company HCL Limited. He has an experience of over 36 years with specialization in Finance and Management Consultancy.

Ms. Robin Abrams

Ms. Robin Abrams, aged 62 years, holds both a Bachelor of Arts and a Juris Doctor degree from the University of Nebraska. She was the interim CEO at ZiLOG. She had been the President of Palm Computing and Senior Vice President at 3Com Corporation. She was formerly the President and CEO at VeriFone and also held a variety of senior management positions with Apple Computers. As Vice President and General Manager of the Americas, she oversaw sales and channel management for U.S., Canada and Latin America. Ms. Abrams spent eight years with Unisys in several senior-level positions and also served several U.S. public company Boards and several academic advisory committees.

Mr. Amal Ganguli

Mr. Amal Ganguli, aged 73 years is a fellow member of the Institute of Chartered Accountants of India and the Institute of Chartered Accountants in England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A. He was the Chairman and Senior Partner of Price Waterhouse Coopers, India till his retirement in 2003. Besides his qualification in the area of accounting and auditing, he is alumus of IMI, Geneva. During his career spanning over 41 years, his range of work included international tax advice and planning, cross border investments, corporate mergers and re-organization, financial evaluation of projects, management, operational and statutory audit and consulting projects funded by international funding agencies.

Mr. R. Srinivasan

Mr. R. Srinivasan, aged 67 years, has an Electrical Engineering Degree from Madras University and MBA Degree from the IIM, Ahmedabad. He is the Founder, Managing Director of Redington (India) Limited, a 3.6 billion dollar Technology Products Supply Chain Solution Company operating in India, Middle East, Africa & Turkey. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company. His experience also includes a number of years with Readers Digest and the Coca-Cola Corporation in India.

Mr. Sudhindar Krishan Khanna

Mr. Sudhindar Krishan Khanna, aged 60 years, has a Bachelor of Arts (Honors) degree in Economics from St. Stephen's College (New Delhi) and is a Chartered Accountant. He is the Chairman and Managing Director of IEP Mumbai, a leading control oriented PE Fund. He was one of the founding members of Accenture worldwide and became the Country Managing Partner of Accenture in India & the Middle East and a lead member of the Accenture global management team. He was responsible for establishing all major Accenture businesses in India, including ITO, BPO and KPO. Mr. Khanna serves on the board of United Spirits, Peninsula Holdings, Canara HSBC Insurance etc.

Mr. Srikant Madhav Datar

Mr. Srikant Madhav Datar, aged 60 years, is the Arthur Lowes Dickinson Professor at Harvard University. He is a graduate from the Indian Institute of Management, Ahmedabad, is a Chartered Accountant and a Cost and Works Accountant. He also holds two Masters degrees and a Ph.D. from Stanford University. He is a co-author of the leading cost accounting textbook, Cost Accounting: A Managerial Emphasis, and Rethinking the MBA: Business Education at a Crossroads. He has published his research on activity-based management, quality, productivity, time-based competition, new product development, bottleneck management, incentives, performance evaluation, and corporate governance in several prestigious journals. He has served on the editorial boards of several journals and presented his research to corporate executives and academic audiences in North America, South America, Asia, Africa and Europe. He is a member of the American Accounting Association and the Institute of Management Accountants.

Mr. Sosale Shankara Sastry

Mr. Sosale Shankara Sastry, aged 57 years, is currently the Dean of Engineering at University of California, Berkeley. Dr. Sastry is B. Tech from Indian Institute of Technology, Bombay; M.S. EECS (1979), University of California, Berkeley; M.A. Mathematics (1980), University of California, Berkeley and Ph.D. EECS, University of California, Berkeley. His areas of personal research are embedded control, cybersecurity, autonomous software for unmanned systems (especially aerial vehicles), computer vision, nonlinear and adaptive control, control of hybrid and embedded systems, and network embedded systems and software. He has been concerned with cybersecurity and critical infrastructure protection. He has co-authored over 450 technical papers and 9 books. During his career the positions held by him include Member, Scientific Advisory Board for Singapore National Research Foundation and Member of Science and Technology Advisory Board for the Thai Prime Minister.

Mr. Subramanian Madhavan

Mr. Subramanian Madhavan, aged 56 years was a Senior Partner and Executive Director in PricewaterhouseCoopers from where he retired. He was responsible for leadership development and coaching through annual performance planning for all leadership positions. His responsibility also included oversight and delivery of sectorally focused firm wide services, from Assurance to Advisory and Tax, being a primary relationship partner for several global clients. He was also a long standing leader of the indirect tax practice in PricewaterhouseCoopers and is nationally and globally recognized as a leading subject matter expert in that area. He is currently the Co-Chairman of the GST Task Force in FICCI, has been the past President Northern Region, Indo American Chamber of Commerce and the past Co-Chairman of the Taxation Committee, Assocham.

Mr. Keki Mistry

Mr. Keki Mistry, aged 58 years is the Vice Chairman & Chief Executive Officer of HDFC Ltd. He is a Chartered Accountant from the Institute of Chartered Accountants of India and a Certified Public Accountant from the Michigan Institute, U.S.A. Besides being on the board of several HDFC Group companies including HDFC Bank, Mr. Mistry is also on the Board of other companies including Infrastructure Leasing & Financial Services Ltd., Sun Pharmaceutical Industries Ltd, The Great Eastern Shipping Company Ltd., Torrent Power Ltd. and Bombay Stock Exchange. Some of Mr. Mistry's recent recognitions include, being awarded the CFO India Hall of Fame by the CFO India magazine in 2012, being honoured with the 'CA Business Achiever of the year' award in the Financial Sector by the Institute of Chartered Accountants of India (ICAI) in 2011, declared as the Best CFO in the Financial Services category by the ICAI for 2008, CNBC TV18's Award for the 'Best Performing CFO in the Financial Services Sector' for three consecutive years - 2006, 2007 & 2008 and CFO of the Year for 2008, selected as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

The tenure of Board of Directors

Executive directors are appointed by the shareholders for the tenure of a maximum period of five years, and are eligible for re-appointment upon completion of their term. The tenure of independent directors on the Board of the Company shall be 9 years. For the independent directors who were on the Board in January, 2009, the period of 9 years shall be w.e.f. July 1, 2008 and for any appointments thereafter, the said term shall be from the date of the appointment.

Retirement Policy of the Board of Directors

The Board has formulated a retirement policy pursuant to which there shall be an age limit of 75 years for all the Directors who shall serve on the Board of the Company.

Memberships on other Boards

Executive Directors are also allowed to serve on the Board/ Committee of Corporate(s) or Government bodies whose interest are germane to the future of software business, or on the Board of key economic institutions of the nation or whose primary objective is benefiting society.

Independent Directors are expected not to serve on the Board/ Committees of competing companies. Other than this, there is no limitation on the Directorships /Committee memberships except those imposed by law and good corporate governance.

Directors' Responsibilties

(a) The principal responsibility of the Board members is to oversee the management of the Company and in doing so, serve the best interests of the Company and its stakeholders. This responsibility shall include:

- Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
- Evaluate whether the corporate resources are being used only for appropriate business purposes.
- Establising a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal responsibilty, high ethical standards and compliance with all applicable laws and regulations.
- Evaluating the performance of the Company and its senior executives and taking appropriate action, including removal, where warranted.

- Evaluating the overall effectiveness of the Board and its Committees.
- To attend the Board, Committee and shareholders meetings.

(b) **Exercise business judgment:** In discharging their fiduciary duties of care and loyalty, the directors are expected to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stakeholders.

(c) **Understand the Company and its business:** The directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial conditon of the Company and the significant subsidiaries and business segments.

(d) **To establish effective systems:** The directors are responsible for determining that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company including the following :

- Current business and financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
- Compliance programs to assure the company's compliance with laws and corporate polices.
- Material litigation and governmental and regulatory matters

Board meetings functioning and procedure

Board Meeting - Calendar: The probable dates of the board meetings for the forthcoming year are decided in advance and published as part of the Annual Report.

Board Meeting - Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulations. The Company effectively uses teleconferencing facility to enable the participation of Directors who could not attend the same due to some urgency.

Board Meeting - Location: The meetings are generally held at the Technology HUB of the Company at Noida. Each director is expected to attend the Board meetings.

Board Meeting - Matters: All divisions/ departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussions/ approval/ decision of the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/ Committee meetings.

Board material/ Agenda distributed in advance: The agenda for each board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every board member is free to suggest items for inclusion in the agenda.

Presentations by management: The Board is given presentations covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy and the risk management practices before taking on record the financial results of the Company.

Access to employees: The directors are provided free access to officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of matters being considered.

Availability of information to Board members: The information placed before the Board includes annual operating plans and budgets, including operating & capital expenditure budgets, quarterly financial results of the Company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, update on the state of the market for the business and the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non compliances, if any, information on recruitment/ remuneration of senior officers, show cause/ demand notices if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

Discussion with Independent Directors: Independent Directors are regularly updated on performance of each line of business of the Company, business strategy going forward and new initiatives being taken/ proposed to be taken by the Company. The independent directors meet periodically without the executive directors or the management. The independent directors also periodically have one on one meetings with the statutory auditors and internal auditors, where neither the executive directors nor any person from the management is present.

Post meeting follow- up mechanism: The guidelines for Board and Committee(s) meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board/ Committee(s) meetings are promptly communicated to the concerned departments/ divisions. Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee(s) for information and review by the Board/ Committee(s).

Number of Board Meetings and the dates on which held

There were five Board meetings held during the year ended June 30, 2013. These were held on July 24 & 25, 2012, October

15&17, 2012, January 15 &17, 2013, February 06, 2013 and April 15 &17, 2013. The following table gives the attendance record of the directors meetings and the last Annual General Meeting:

Name of Director	No. of board meetings held	No. of board meetings attended	Whether attended last AGM
Mr. Shiv Nadar	5	5	Yes
Ms. Roshni Nadar Malhotra**	-	-	-
Mr. Vineet Nayar	5	5^	No
Ms. Robin Abrams	5	5^	No
Mr. Subroto Bhattacharya	5	5	Yes
Mr. Amal Ganguli	5	5	Yes
Mr. R. Srinivasan	5	5^	No
Mr. Sudhindar Krishan Khanna	5	5^	Yes
Mr. Srikant Madhav Datar	5	4^	No
Mr. Sosale Sankara Sastry	5	4^	No
Mr. Subramanian Madhavan#	3	3	N.A.
Mr. Keki Mistry*	1	-	N.A.

^ include one meeting attended through conference call.
 # appointed as an Additional Director of the Company w.e..f. January 15, 2013.
** appointed as an Additional Director of the Company w.e.f. April 15, 2013.*
*** appointed as an Additional Director of the Company w.e.f. July 29, 2013.*

Board Committees

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the board, to carry out the clearly defined role which is considered to be performed by members of the board, as a part of good corporate governance. The Board supervises the execution of its responsibilities by the committees and is responsible for their action.

Currently, the Board has eight Committees viz. Audit Committee, Compensation Committee, Nominations Committee, Risk Management Committee, Finance Committee, Shareholders' Committee, Employees' Stock Options Allotment Committee and Restructuring Committee (formed for a special purpose i.e. Scheme of Arrangement).

Keeping in view the requirements of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement, the Board decides the terms of reference of various committees which set forth the purposes, goals and responsibilities of the Committees. All observations, recommendations and decisions of the committees are placed before the Board for information or for approval.

Frequency and length of meeting of the Committees of the Board and Agenda

The Chairman of each Committee of the Board, in consultation with the Chairman of the Board and appropriate members of management determine the frequency and length of the meeting of the Committees' and develop the Committees' agenda. The agenda of the Committee meetings is shared with all the members of the Committee.

Chairmanship/ Membership of Directors in Committees of the Board of Directors of the Company:

S. No.	Director	Audit Committee	Compensation Committee	Shareholders' Committee	Nominations Committee	Finance Committee	Employees' stock option committee	Risk Management Committee
Executive Director								
1.	Mr. Shiv Nadar	N.A	N.A	Member	Chairman	Member	Member	N.A
Non Executive Directors								
2.	Mr. Vineet Nayar**	N.A	N.A	Member	N.A.	N.A	Member	N.A
3.	Ms. Roshni Nadar Malhotra	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Independent Non Executive Directors								
4.	Mr. Subroto Bhattacharya	Member	N.A	Chairman	N.A	N.A.#	Member	Member
5.	Ms. Robin Abrams	Member	Member	N.A	N.A	N.A	N.A	Member
6.	Mr. Amal Ganguli	Chairman	N.A	N.A	N.A	Chairman	N.A	Chairman
7.	Mr. R. Srinivasan	N.A	Chairman^	N.A	Member	Member	N.A	N.A
8.	Mr. Sudhindar Krishan Khanna	N.A	N.A	N.A	N.A	Member#	N.A	N.A
9.	Mr. Srikant Madhav Datar	N.A.	Member^	N.A	N.A	N.A	N.A	N.A
10.	Mr. Sosale Sankara Sastry	N.A.	N.A.	N.A	N.A	N.A	N.A	N.A
11	Mr. Subramanian Madhavan	Member*	N.A.	N.A	N.A	N.A	N.A	N.A
12.	Mr. Keki Mistry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Note 1: *Mr. Subramanian Madhavan was appointed as the Member w.e.f. January 19, 2013.*
Note 2: ^Mr. Srikant Madhav Datar was appointed as a member and Mr. R. Srinivasan was appointed as the Chairman w.e.f. October 31, 2012.
Note 3: #Mr. Subroto Bhattacharya ceased to be the member and Mr. Sudhindar Krishan Khanna was appointed as the member w.e.f. October 17, 2012.
*Note 4: **Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013.*

1. **Audit Committee**

The Audit Committee comprises of four Independent Directors, namely:

a) Mr. Amal Ganguli (Chairman)

b) Ms. Robin Abrams

c) Mr. Subroto Bhattacharya

d) Mr. Subramanian Madhavan*

** appointed as a member w.e.f. January 19, 2013.*

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference

The constitution and terms of reference of the Audit Committee meet all the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement.

The Terms of Reference for the Audit Committee are as under.

a) Statutory Auditors

Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, fixation of audit fee and also approve payment for any other services rendered by the statutory auditors.

b) Review independence of Statutory Auditors

In connection with recommending the firm to be retained as the Company's Statutory Auditors, review the information provided by the management relating to the independence of such firm, including, among other things, information relating to the non-audit services provided and expected to be provided by the Statutory Auditors.

The Committee is also responsible for:

i) Actively engaging in dialogue with the Statutory Auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and

ii) Recommending that the Board takes appropriate action in response to the Statutory Auditors' Report to satisfy itself of their independence.

c) Review Audit Plan

Review with the Statutory Auditors their plans for, and the scope of, their annual audit and other examinations.

d) Conduct of Audit

Discuss with the Statutory Auditors the matters required to be discussed for the conduct of the audit.

e) Review Audit Results

Review with the Statutory Auditors the proposed report on the annual audit, areas of concern, the accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside of the course of the Statutory Auditors' normal audit procedures that they may from time to time undertake.

f) Review Financial Statements

Review the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible. The Audit Committee reviews with appropriate officers of the Company and the Statutory Auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;

b. Any changes in accounting policies and practices and reasons for the same.

c. Major accounting entries based on exercise of judgment by management.

d. Qualifications in draft audit report.

e. Significant adjustments made in the financial statements arising out of audit.

f. The going concern assumption.

g. Compliance with accounting standards.

h. Compliance with stock exchange and legal requirements concerning financial statements.

i. Any related party transactions i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.

j. Contingent liabilities.

k. Status of litigations by or against the Company.

l. Claims against the Company and their effect on the accounts.

g) Review Quarterly Results

Reviewing with the management, the quarterly/interim financial statements before submission to the Board for approval.

h) Review the performance of the Internal and External Auditors

Review with the management the performance of the Statutory and Internal auditors and adequacy of the internal control systems.

i) Oversight Role

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.

j) Review policies

Review the Company's financial and risk management policies.

k) Review Internal Audit function

Review the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

l) Review Internal Audit plans

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the plans for and the scope of their ongoing audit activities.

m) Review Internal Audit reports

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the annual report of the audit activities, examinations and results thereof of the internal auditing department, any significant findings and follow up thereon. The Audit Committee also reviews the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

n) **Review systems of internal accounting controls**

Review with the Statutory Auditors, the senior internal auditing executive and, if and to the extent deemed appropriate by the Chairman of the Committee, members of their respective staffs, the adequacy of the Company's internal accounting controls, the Company's financial, auditing and accounting organizations and personnel and the Company's policies and compliance procedures with respect to business practices.

o) **Review recommendations of auditors**

Review with the senior internal auditing executive and the appropriate members of the staff of the internal auditing department, the recommendations made by the Statutory Auditors and the senior internal auditing executive, as well as such other matters, if any, as such persons or other officers of the Company may desire to bring to the attention of the Committee.

p) **Review the functioning of Whistle Blower Policy**

Updates to be sent to the Audit Committee in case of any instances.

q) **Review other matters**

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.

r) **Reporting to Board**

Report its activities to the Board in such manner and at such times, as it deems appropriate.

s) **Investigation**

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose it has full access to the information contained in the records of the Company. It can also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for nonpayment of declared dividends) and creditors, if any.

t) **Seek information / advice**

The Audit Committee can seek information from any employee and can obtain from outside any legal or other professional advice. It can also secure attendance of outsiders with relevant experience, if it considers necessary.

u) **Approval for appointment of Chief Financial Officer**

Approval of the appointment of CFO (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

v) **Review the Statement of Uses and Application of Funds**

Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public, rights preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and making appropriate recommendations to the Board to take steps in the matter.

w) **Review of other Information**

The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operation.

(b) Statement of significant related party transactions submitted by the management.

(c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors.

(d) Internal audit reports relating to internal control weaknesses.

(e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review of the Audit Committee.

x) **Basis of Related Party Transactions**

(a) The statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.

(b) Details of material individual transactions with related parties, which are not in the normal course of business, shall be placed before the audit committee.

(c) Details of material individual transactions with related parties or others, which are not on arms length basis shall be placed before the audit committee together with the management justification for the same.

Explanation: The term “Related Party Transactions” shall have the meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by the Institute of Chartered Accountants of India.

y) **To attend Annual General Meeting**

The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit sought by the members of the Company.

Statutory Auditors of the Company shall be special invitees to the Audit Committee meetings, wherein they participate on discussions related to the review of financial statements of the Company and any other matter that in the opinion of the Statutory Auditors needs to be brought to the notice of the Committee.

z) **Subsidiary Companies**

The Audit Committee of the listed holding company shall also review the financial statements, in particular the investments made by the unlisted subsidiary companies.

aa) Annual Review of the Terms of Reference of the Audit Committee

The Committee will review and reassess the adequacy of the terms of reference of the Audit Committee annually, and where necessary obtain the assistance of management, the Group's external auditors and external legal counsel.

Eight meetings of the Audit Committee were held during the year, on the following dates:

July 19, 2012

July 24, 2012

October 10, 2012

October 15, 2012

January 15, 2013

January 21, 2013

April 9, 2013

April 15, 2013

Attendance details of each member at the Audit Committee meetings held during the year ended June 30, 2013 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Amal Ganguli	Chairman	8	8
Ms. Robin Abrams	Member	8	8^
Mr. Subroto Bhattacharya	Member	8	7
Mr. Subramanian Madhavan*	Chairman	3	2

** appointed as a member w.e.f. January 19, 2013.*
^ include four meetings attended through conference call.

2. Compensation Committee

The Compensation Committee consists of following members:

a) Mr. R. Srinivasan (Chairman)#

b) Ms. Robin Abrams

c) Mr. Srikant Madhav Datar*

** appointed as a member of the Committee w.e.f October 31, 2012.*

 # appointed as the Chairman of the Committee w.e.f. October 31, 2012.

Terms of Reference

The Terms of Reference of the Compensation Committee are as under:

a) Review and recommend to the Board the remuneration policy for the Company.

b) Review and approve/recommend the remuneration for the Corporate Officers or Whole-Time Directors of the Company.

c) Approve inclusion of senior officers of the company as Corporate Officers.

d) Approve promotions within the Corporate Officers.

e) Regularly review the Human Resource function of the company.

f) Approve grant of stock options to the employees and / or Directors of the Company and subsidiary companies and perform such other functions and take such decisions as are required under the various Employees Stock Option Plans of the Company.

g) Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

h) Make reports to the Board as appropriate.

i) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

Five meetings of the Compensation Committee were held during the year physically/ via conference call on the following dates:

July 23, 2012

October 20, 2012

January 11, 2013

March 16, 2013

April 11, 2013

Remuneration Policy and criteria of making payments to Executive and Non-Executive Directors

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

The criteria for making payments to Executive and Non-Executive Directors of the Company are as under:

Executive Directors:

The remuneration of the Executive Directors is recommended by the Compensation Committee to the Board and after approval by the Board the same is put up for the shareholders approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

During the year, the composition of the Board consisted of two Executive Directors viz. Mr. Shiv Nadar and Mr. Vineet Nayar. There are no separate provisions for the service of notice period and payment of severance fee by the Executive Directors at the time of their termination. The remuneration paid to Mr. Shiv Nadar and Mr. Vineet Nayar for the year ended June 30, 2013 from the Company/subsidiaries is as under:

Remuneration to Mr. Shiv Nadar from the Company:

Particulars	₹ / crores
Salary	1.80
Allowances and Perquisites	9.88
Contribution to Provident Fund	0.22
Total	**11.90**

In addition, Mr. Shiv Nadar received ₹ 1.70 crores as salary and perquisites from the subsidiaries of the Company. The overall compensation is in accordance with the approval given by the Board and Shareholders of the Company.

Remuneration to Mr. Vineet Nayar from the Company:

Particulars	₹ / crores
Salary	2.40
Allowances and Perquisites	5.60
Contribution to Provident Fund	0.29
Total	**8.29**

In addition Mr. Vineet Nayar received Rs 0.98 crores as salary and perquisites from a subsidiary of the company. The overall compensation is in accordance with the approval given by the Board and Shareholders of the Company.

Mr. Vineet Nayar was also granted Stock Options of the Company. The details of the same as on June 30, 2013 are as under:

Grant Date	Number of Options Granted*	Grant Price Per Option (₹)	Vesting Details #		Options Exercised so far
			No. of options Vested/ to be vested	Vesting Dates	
24-10-2005	7,50,000	8.00	2,50,000	01-Jul-08	2,50,000
			2,50,000	01-Jul-09	2,50,000
			2,50,000	01-Jul-10	2,50,000
24-08-2009	1,75,000	8.00	1,75,000	31-Aug-10	1,75,000
19-10-2010	12,50,000	8.00	2,50,000	01-Jan-12	2,50,000
			2,50,000	01-Jan-13	2,50,000
			2,50,000	01-Jan-14^	Nil^
			2,50,000	01-Jan-15^	Nil^
			2,50,000	01-Jan-16^	Nil^

** Each option entitles 4 equity shares of face value of Rs. 2/- each.*
 # The options are exercisable within 5 years from the date of vesting.
^ Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013 and accordingly the options not vested will expire.

Non-Executive Directors:

During the year, the Company paid sitting fees to its Non-Executive Directors for attending the meetings of the Board of Directors, Audit Committee and Finance Committee of the Company. The Company pays commission to its Non-Executive Directors as approved by the Board within the limits approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors, does not exceed 1% of the net profits of the Company in a financial year. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

The sitting fees and commission paid/ payable to the Non-Executive Directors for the year ended June 30, 2013 are as under:

Name of the Director	Sitting Fees for the year ended June 30, 2013 ₹ / lacs	Commission for the year ended June 30, 2013 ₹ / lacs
Mr. Amal Ganguli	3.20	39.00
Ms. Robin Abrams	1.60	51.00
Mr. Subroto Bhattacharya	2.60	33.00
Mr. R. Srinivasan	0.80	51.00
Mr. Sudhindar Krishan Khanna	0.80	28.00
Mr. Srikant Madhav Datar	0.60	42.00
Mr. Sosale Shankara Sastry	0.40	42.00
Mr. Subramanian Madhavan	1.00	15.00
Mr. Keki Mistry	-	06.00

Note : The service tax on commission amounting to ₹ 37.95 lacs shall be paid by the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

3. Nominations Committee

The Nominations Committee consists of the following members:

a) Mr. Shiv Nadar (Chairman)
b) Mr. R. Srinivasan

Terms of Reference:

The Terms of Reference of Nominations Committee are as under:

a) Succession planning for certain key positions in the Company viz. Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO). The Committee shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

b) Reviewing the Company's Corporate Governance guidelines periodically and recommending such amendments to the Board as it deems necessary.

c) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

4. Risk Management Committee

The Risk Management Committee consists of the following members:

a) Mr. Amal Ganguli (Chairman)
b) Ms. Robin Abrams
c) Mr. Subroto Bhattacharya

Terms of Reference

The Terms of Reference of the Risk Management Committee are as under:

a) Assist the Board in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks.

b) Review and approve the Risk management policy and associated framework, processes and practices.

c) Assist the Board in taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

d) Evaluating significant risk exposures including business continuity planning and disaster recovery planning.

e) Assessing management's actions in mitigating the risk exposures in a timely manner.

f) Promote the Enterprise Risk Management and to ensure that the risk management process and culture are embedded in the Company.

g) Assist the Board in maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organization of their actions and decisions.

h) Maintaining aggregated view on the risk profile of the Company/ Industry in addition to the solo and individual risk profile.

i) Ensure the implementation of the objectives as per the Risk Management Policy and compliance with them.

j) Advise the Board on Board's risk appetite, tolerance and strategy.

k) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

l) The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required the Committee can assign tasks to the Internal Auditor and Risk management team in the Company who will provide their findings to the Committee.

5. **Finance Committee**

The Finance Committee consists of the following members:

a) Mr. Amal Ganguli (Chairman)
b) Mr. Subroto Bhattacharya*
c) Mr. Shiv Nadar
d) Mr. R. Srinivasan
e) Mr. Sudhindar Krishan Khanna**

**ceased as a member of the committee w.e.f. October 17, 2012.*
***appointed as a member of the committee w.e.f. October 17, 2012.*

Terms of Reference

The Terms of Reference of the Finance Committee are as under:

a) To review and approve the capital structure plans and specific equity and debt financings and recommend the same for approval to the Board.
b) To review and approve the annual budgets and other financial estimates and provide its recommendations to the Board.
c) To review the actual performance of the Company against the budgets.
d) To review and approve the capital expenditure plans and specific capital projects and recommend the same to the Board for approval.
e) To evaluate the performance of and returns on approved capital expenditure.
f) To consider and approve the proposal which involves funding assets on operating and / or financial lease in the normal course of business.
g) To review and approve the proposals for mergers, acquisitions and divestitures and provide its recommendations to the Board.
h) To evaluate the performance of acquisitions.
i) To consider and approve the proposals for fresh investments by way of infusion of capital and/or providing of loan and any further investments (by capital / loan) in wholly owned subsidiaries / Branches and providing any guarantees for funding the same.
j) To evaluate the performance of subsidiaries / JVs / Branches.
k) To plan and strategize for managing the foreign exchange exposure - The Committee to approve the hedging policy and monitor its performance.
l) To approve the investment policy and review the performance thereof.
m) To recommend dividend policy to the Board.
n) To review and approve the insurance coverage and program for the Company.
o) To consider and approve the guarantees / bonds provided by the Company either directly or through banks in connection with the Company's business.
p) To approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
q) To perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.
r) To delegate authorities from time to time to the Executives / Authorised persons to implement the decisions of the Committee within the powers authorised above.

During the year under review, the Committee met 3 times.

6. **Shareholders' Committee**

The Shareholders' Committee was re-constituted during the year which consists of the following members:

a) Mr. Subroto Bhattacharya (Chairman)
b) Mr. Shiv Nadar
c) Mr. Vineet Nayar

Mr. Manish Anand, Company Secretary is the Compliance Officer of the Company.

Terms of Reference

The Shareholders' Committee has been formed to undertake the following activities:

a) To review and take all necessary actions for redressal of investors' grievances and complaints as may be required in the interests of the investors.
b) To approve requests of rematerialisation of shares, issuance of split and duplicate share certificates.

The details relating to the number of shareholders' complaints received and resolved and number of pending transfers have been provided in the shareholders information section.

During the year under review, the Committee met 11 times.

7. **Employees' Stock Option Allotment Committee**

The Employees' Stock Option Allotment Committee consists of following members:

a) Mr. Shiv Nadar
b) Mr. Vineet Nayar
c) Mr. Subroto Bhattacharya
e) Mr. Anil Chanana

This Committee has been formed to allot shares to the employees who have exercised their stock options under the Stock Option Plans of the Company.

During the year under review, the Committee met 11 times.

Succession Planning

Succession planning for certain key positions in the Company viz. Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) is part of the charter of the Nominations Committee of the Company. The Committee shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

Independence of Statutory Auditors

The Board ensures that the Statutory Auditors of the Company are independent and have arm's length relationship with the Company.

Materially significant related party transactions

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the year ended June 30, 2013.

Code of Business Ethics and Conduct

The Board has prescribed a Code of Conduct that provides for transparency, behavioral conduct, a gender friendly workplace, legal compliance and protection of Company's property and information. During the year, the said code was revised to increase its scope and applicability and now titled as Code of Business Ethics and Conduct (Code). The code covers all employees, Directors, third party vendors, consultants and customers across the world. The code is also posted on the website of the Company.

All Board members and senior management personnel have confirmed compliance with the Code for the year 2012-13. A declaration to this effect signed by the Chairman & Chief Strategy Officer and CEO of the Company is provided elsewhere in this Report.

Code for Prevention of Insider Trading:

The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code for prevention of Insider Trading inter-alia prohibits purchase/sale of shares of the Company by employees/directors while in possession of unpublished price sensitive information in relation to the Company. The Company within two working days of receipt of the information under the Initial and Continual disclosures from Directors shall disclose the same to all the Stock Exchanges, where the shares of the Company are listed.

Anti-Bribery Policy and Anti Corruption Policy

To ensure the Company's policy for conducting its business activities with honesty, integrity and highest possible ethical standards and company's commitment towards prevention, deterrence and detection of fraud, bribery and other corrupt business practices, the Company has introduced an Anti- Bribery and Anti Corruption Policy that applies to the employees at all levels, directors, consultants, agents and other persons associated with the Company, its affiliates and subsidiaries. This policy covers matters relating to hospitality, offset obligations, employment of relatives, guidance on gifts, political/ charitable contributions, extortion/ blackmail responses etc. The same has been available on our website www.hcltech.com.

Sexual Harassment Policy

In order to ensure an additional available mode for the employees to voice their concern and bring it to the organization's notice, a mechanism is in place for employees to report any issues, abuse, etc. to a Council formed for this purpose. Any employee dissatisfied with the decision has a direct access to the CEO of the Company.

Whistle Blower Policy

The principles of Trust through transparency and accountability are at the core of the Company's existence. To ensure strict compliance with ethical and legal standards across the company, the Whistleblower policy is in place to provide appropriate avenues to the employees, contractors, clients, vendors, internal or external auditors, law enforcement /regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be in violation or in conflict with the fundamental business principles of the Company. All cases registered under the Whistle Blower Policy of the Company are reported to the Whistle Blower Committee and Whistle Blower Committee reports its activities to the CEO on monthly basis. The CEO also reviews the policy and process periodically to ensure that there are no gaps in the implementation of the policy. An update on whistle blower cases is also provided to the Audit Committee.

Corporate Governance Voluntarily Guidelines 2009

Ministry of Corporate Affairs, Government of India had published the Corporate Governance Voluntarily Guidelines 2009 which is recommendatory in nature. These guidelines have been published keeping in view the objective of encouraging the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance. The Corporate sector has been advised to voluntarily adopt these guidelines with the objective of using better corporate governance practices which the Ministry believes will enables the Indian corporate sector to enhance not only the economic value of the Company but also the value for every shareholder who has contributed in the success of the Company. These guidelines broadly focus on the areas like Board of Directors, responsibilities of the Board, audit committee functions, roles and responsibilities, appointment of auditors, compliances and a mechanism for Whistle Blower support. The Company is already majorly in compliance with these guidelines.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India, one of the premier professional bodies in India, has issued secretarial standards on important aspects like board meetings, general meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal, forfeiture of shares and board's report. Although these standards are optional in nature, the Company however substantially adheres to the standards voluntarily.

General Body Meetings

The location and time of the General Meetings held during the preceding 3 years are as follows:

Year	Date	Venue	Time	Special Resolution
Annual General Meetings				
2009-10	October, 28, 2010	FICCI Auditorium, Federation House, Tansen Marg, New Delhi.	11.00 A.M.	–
2010-11	November 02, 2011	Air Force Auditorium, Subroto Park, New Delhi.	3.00 P.M.	–
2011-12	October 22, 2012	FICCI Auditorium, Federation House, Tansen Marg, New Delhi.	11.00 P.M.	–

During the year, no resolution was passed through postal ballot and presently, no resolution has been proposed to be passed through postal ballot.

Subsidiary companies

During the year, none of the subsidiaries was a material non-listed Indian subsidiary Company as per the criteria given in clause 49 of the Listing Agreement. The Audit Committee of the Company reviews the financial statements and investments made by the unlisted subsidiary companies. The minutes of the board meetings as well as the statements of significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are placed before the Board of Directors of the Company from time to time.

CEO/ CFO Certification

The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the financial statements for the year ended June 30, 2013 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

Disclosures

a) Related party transactions

The details of the transactions with related parties or others, if any, as prescribed in the Listing Agreement, are being placed before the Audit Committee from time to time. During the year under review, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, directors or the management, their relatives, etc., that may have any potential conflict with the interest of the Company.

b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

c) Material transactions with senior managerial personnel

During the year, no material transaction has been entered into by the Company with the senior management personnel where they had or were deemed to have any personal interest that may have a potential conflict with the interest of the Company. The Company has obtained requisite declarations from all senior management personnel in this regard and the same were placed before the Board of Directors.

d) Other Disclosures

The Company has also laid down the procedures to inform the Board members about the risk assessment and minimization procedures.

During the year, the Company did not raise any money through public issue, rights issue or preferential issue and there was no unspent money raised through such issues.

Means of Communication

a) **Quarterly Results:** Quarterly Results of the Company are generally published inter alia, in Financial Express and Jansatta newspapers.

b) **Website:** Company's corporate website www.hcltech.com provides comprehensive information on company's portfolio of businesses. The website has entire section dedicated to Company's profile, its core values, corporate governance, business lines and Industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Reports as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

c) **News Releases, Presentations, etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.hcltech.com. Official media releases are also sent to the Stock Exchanges.

d) **Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user- friendly and downloadable form.

e) **Management Discussion and Analysis:** The Management's Discussion and Analysis (MD & A) Report forms part of the Annual Report.

f) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

g) **Corporate Filing and Dissemination System (CFDS):** Pursuant to clause 52 of the Listing Agreement, the company during the year has uploaded financial information like annual and quarterly financial statements, segment-wise results and shareholding pattern on the CFDS website www.corpfiling.co.in

h) **National ECS facility:** The Company is using NECS mandate for remittance of dividend either through NECS or other electronic modes failing which the bank details available with Depository Participants are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

i) **Designated Exclusive email-id:** The Company has the following designated email-id investors@hcl.com exclusively for investors servicing.

Green Initiatives Drive by the Ministry of Corporate Affairs, Government of India

The Company, as a corporate entity, is committed to protect and conserve the natural environment in our operations and services. As a responsible corporate citizen, the Company welcomes and supports the `Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository participants/Registrar & Share Transfer Agent.

The Company sends the communications to the shareholders by electronic mode. We request all the shareholders of the Company to register their email addresses with their depository participants to ensure that the annual report and other documents reaches them on their preferred email address. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Registrar & Share Transfer Agent, by sending a letter, duly signed by the first/ sole holder quoting details of Folio No.

Investor Relations- Enhancing Investor Dialogue

As a listed entity, and a responsible corporate citizen, the Company recognizes the imperative to maintain continuous dialogue with the investor community. The objective of investor interface is to keep investors abreast of significant developments that determine Company's overall performance while at the same time addressing investor concerns. This translates into disseminating timely, accurate and relevant information that helps investors in making informed investment decisions.

To ensure effective communication, the Investor Relations Division effectively provides comprehensive information in the form of Annual Reports, Quarterly Earnings Reports, Investor Releases and also on the Company Website (Investor Relations page weblink: http://www.hcltech.com/investors/fast-facts. Additionally Conference calls, Management Interviews, Face to Face Investor meetings and Annual General Meetings ensure a direct interaction with the Management Team.

The Company management is focused on building investor relations on the pillars of trust, consistency and transparency. Our proactive approach has enabled the investor community to better understand the nature of our business, Management Strategies and Operational Performance over a period of time.

Investors Satisfaction Survey

It is our constant endeavor to improve the standard of our investor services. The Company has stipulated internal timeframes for responding to investors' correspondence and adherence thereof is monitored by the Shareholders Committee.

In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures; during the year we conducted a small survey to assess the requirement and satisfaction of valuable investors on following parameters:

1. Timely receipt of Annual reports, Dividend and other documents.
2. Response time and satisfaction level experienced in Transfer/ Transmission of shares, change of address, revalidation of dividend warrants etc.
3. Quality of information in Annual Report and investor section of company's website.
4. Interaction with company officials.
5. Interaction with Registrar and transfer agents.
6. Overall rating of our investor services.

The shareholders were asked to respond with any one of the following ratings:

- Excellent
- Good
- Needs Improvement

Approx. 90% of the shareholders have given the rating "Good" or "Excellent".

Shareholders' Information

b) Share Transfer System

The Company's share transfer authority has been delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, if the documents are complete in all respects. As per the requirements of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities.

c) Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended June 30, 2013 was carried out. The audit reports confirm that the total issued/ paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

a) General Information

Dates of book closure	December 20, 2013 to December 23, 2013 (both days inclusive)
Date, time and venue of the ensuing Annual General Meeting	December 27, 2013 at 11.00 a.m. FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi -110 001
Dividend Payment Date (subject to the approval of the shareholders)	On or before January 26, 2014
Listing of Equity Shares on stock exchanges in India at	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, India. Tel.: +91-22-26598236, Fax: +91-22-26598237
	The Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
Listing of Non-Convertible Debentures on stock exchanges in India at	The Wholesale Debt Market Segment of NSE.
Listing fees	Paid to all the above stock exchanges for the Year 2013-2014.
Stock Code	National Stock Exchange - “HCLTECH” Bombay Stock Exchange - “532281”
Corporate Identification Number (CIN) of the Company	L74140DL1991PLC046369
Registered Office	806, Siddharth, 96, Nehru Place, New Delhi - 110 019, India Tel.: +91-11-26444812, Fax: +91-11-26436336 Homepage: www.hcltech.com
Registrar & Shares Transfer Agent	Alankit Assignments Limited 205-208, Anarkali Market, Jhandewalan Extension, New Delhi - 110 055, India. Tel.: +91-11-42541234, 23541234, Fax: +91-11-42541967, E-mail: rta@alankit.com
Debenture Trustee	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate Mumbai 400 023

d) Dematerialization of Shares

The shares of the Company are under compulsory dematerialization ("Demat") category and consequently, shares of the Company can be traded only in electronic form.

The system for getting the shares dematerialized is as under:

- Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account.
- DP processes the DRF and generates a unique number *viz.* DRN.
- DP forwards the DRF and share certificates to the Company's Registrar & Shares Transfer Agent.
- The Company's Registrar & Shares Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on June 30, 2013, about 99.93% of the equity shares issued by the Company are held in dematerialized form.

Company's ISIN in NSDL & CDSL for Equity Shares: INE860A01027.

Company's ISIN in NSDL & CDSL for Debentures: INE860A07032.

Since the trading in the shares of the Company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

e) Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to section 205A of the Companies Act, 1956, unclaimed balance of the dividends lying in the dividend accounts in respect of the dividend declared till April 2005 have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The dividends for the following years, which remain unclaimed for seven years, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not enchased their dividend warrants relating to the dividend specified in Table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof either with the Company or IEPF:

Financial Year	Type of Dividend	Date of Declaration	Due Date for transfer to IEPF
2005-06	Final	December 14, 2006	January 13, 2014
2006-07	1st Interim	October 16, 2006	November 15, 2013
	2nd Interim	January 15, 2007	February 14, 2014
	3rd Interim	April 17, 2007	May 17, 2014
	Final	December 13, 2007	January 12, 2015
2007-08	1st Interim	October 16, 2007	November 15, 2014
	2nd Interim	January 17, 2008	February 18, 2015
	3rd Interim	April 15, 2008	May 18, 2015
	Final	October 22, 2008	November 24, 2015
2008-09	1st Interim	October 15, 2008	November 17, 2015
	2nd Interim	January 23, 2009	February 23, 2016
	3rd Interim	April 22, 2009	May 22, 2016
	Final	December 08, 2009	January 07, 2017
2009-10	1st Interim	October 28, 2009	November 27, 2016
	2nd Interim	January 25, 2010	February 24, 2017
	3rd Interim	April 21, 2010	May 21, 2017
	Final	October 28, 2010	November 27, 2017
2010-11	1st Interim	October 19-20, 2010	November 19, 2017
	2nd Interim	January 18-19, 2011	February 18, 2018
	3rd Interim	April 19-20, 2011	May 20, 2018
	Final	November 02, 2011	December 02, 2018
2011-12	1st Interim	October 17-18, 2011	November 17, 2018
	2nd Interim	January 16-17, 2012	February 18, 2019
	3rd Interim	April 16-18, 2012	May 21, 2019
	Final Dividend	October 22, 2012	November 24, 2019
2012-13	1st Interim	October 15 & 17, 2012	November 19, 2019
	2nd Interim	January 15 & 17, 2013	February 17, 2020
	3rd Interim	April 15 & 17, 2013	May 17, 2020

f) Distribution of shareholding as on June 30, 2013

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 - 100	63,676	77.25	2,049,890	0.29
101 - 200	8,936	10.84	1,525,245	0.22
201 - 500	4,571	5.55	1,573,026	0.23
501 - 1000	1,631	1.98	1,221,272	0.18
1001 - 5000	1,954	2.37	4,735,054	0.68
5001 - 10000	511	0.62	3,613,853	0.52
10001 and above	1,145	1.39	682,151,517	97.89
Total	**82,424**	**100.00**	**696,869,857**	**100.00**

g) Categories of shareholders as on June 30, 2013

Category	Number of Equity shares held	Voting Strength (%)
Promoters	431,514,284	61.92%
Mutual Funds/ UTI	17,835,735	2.56%
Financial Institutions/ Banks	211,167	0.03%
Insurance Companies	27,124,836	3.89%
Foreign Institutional Investors	170,413,137	24.45%
Foreign Banks	657	0.00%
Bodies Corporate	18,487,311	2.65%
Individuals	18,042,503	2.59%
NRIs / OCBs	2,477,197	0.36%
Foreign Nationals	47,407	0.01%
Trusts	642,064	0.09%
Foreign Corporate Body	8,322,800	1.19%
HUF	150,507	0.02%
Clearing Members	1,600,252	0.23%
Grand Total	**696,869,857**	**100.00%**

h) Stock market data

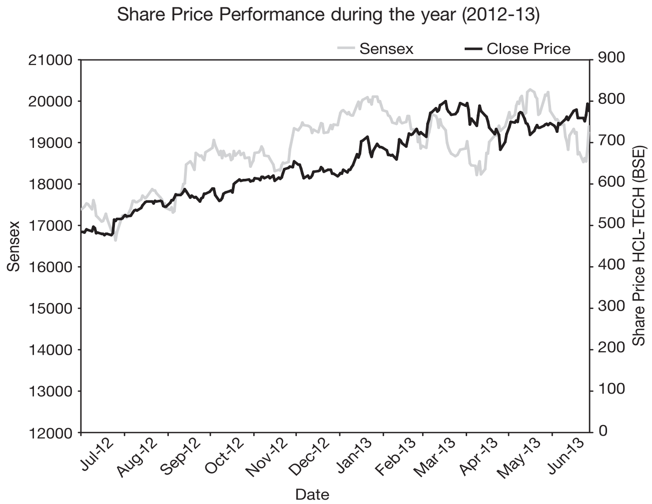
Monthly high and low quotations, as well as the volume of shares traded at the National Stock Exchange of India Limited ("NSE") and the Bombay Stock Exchange Limited ("BSE"), for fiscal year are as follows:

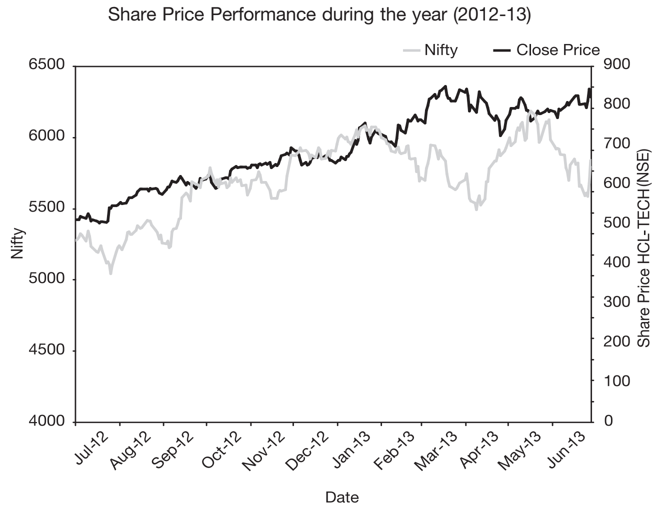
Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (Number)	High (₹)	Low (₹)	Volume (Number)
July 2012	520.75	471.45	26,970,734	520.60	472.50	1,259,692,401
August 2012	562.00	517.10	18,605,672	562.05	517.00	493,622,258
September 2012	595.80	539.00	24,907,001	595.00	539.90	534,426,959
October 2012	619.55	534.30	32,175,768	618.95	556.70	803,197,901
November 2012	660.95	602.00	27,263,368	658.95	602.40	582,264,930
December 2012	656.00	608.05	15,275,840	655.30	608.50	392,011,266
January 2013	721.30	619.85	37,670,349	720.90	620.25	1,980,931,859
February 2013	736.60	652.00	32,551,247	735.60	652.60	847,974,060
March 2013	805.50	711.60	34,326,725	804.50	708.60	1,005,457,411
April 2013	810.00	672.95	39,935,565	809.00	673.60	2,253,242,645
May 2013	783.60	716.65	30,271,586	783.00	716.70	1,101,878,663
June 2013	800.00	721.00	21,322,613	800.00	721.00	635,933,351

i) Liquidity

The Company's shares are among the most liquid and actively traded shares on NSE and BSE. The monthly trading volumes of the Company's shares on these exchanges are given in the table above in the Paragraph (h) titled `Stock Market Data'.

j) Share price performance in comparison to broad based Indices





k) Shareholders Services

(i) Complaints received during the year 2012-2013

The Company gives utmost priority to the interests of the shareholders. We have a shareholders' committee to examine and redress shareholders' and investors' complaints. All the requests / complaints of the shareholders have been resolved to the satisfaction of the shareholders within the statutory time limits. The status of shareholders' complaints received during the financial year is as follows:

Source of Complaint	Received	Resolved
Directly from the Investors	17	17
Through SEBI, Stock Exchanges, etc.	10	10
Total	**27**	**27**

(ii) Share Transfers - As on June 30, 2013, no equity share was pending for transfer.

(iii) National Electronic Clearing Services (NECS) facility

The divided remittances to shareholders happen predominantly through NECS as per the locations approved by RBI from time to time. If you are located at any of the NECS centers and have not registered your NECS mandate, please arrange to forward your NECS mandate to your depository participant if the shares are held in demat form, or to the Company/ Registrars, if the shares are held in physical form, immediately.

l) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

m) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending September 30, 2013	October 15-16, 2013
Financial reporting for the second quarter ending December 31, 2013	January 14-15, 2014
Financial reporting for the third quarter ending March 31, 2014	April 15-16, 2014
Financial reporting for the year ending June 30, 2014	July 29-30, 2014
Annual General Meeting for the year ending June 30, 2014	October / November 2014

n) Address for Shareholders' correspondence

The Secretarial Department
HCL Technologies Limited
A-10 & 11, Sector - 3,
Noida – 201 301 U.P., India
Tel. +91-120-2520917 / 937 / 997
Fax: +91-120-2526907
E-mail: investors@hcl.com

o) Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated July 31, 2013 obtained from Statutory Auditors of the Company, M/s. S.R. Batliboi & Co. LLP, confirming compliance with the Corporate Governance requirements as stipulated under clause 49 of the Listing Agreement, is annexed hereto.

p) Centres' Locations

Chennai – Centres

50-53, Greams Road
Chennai- 600 006, India
Tel. : +(91) 44 2829 3298
Fax :+(91) 44 2829 4969

158, Arcot Road, Vadapalani
Chennai- 600 026, India
Tel. : +(91) 44 2375 0171
Fax :+(91) 44 2375 0185

64 & 65, Second Main Road
Ambattur Industrial Estate,
Ambattur (AMB-3)
Chennai- 600 058, India
Tel. : +(91) 44 2613 3300
Fax :+(91) 44 4218 0653

78- Ambattur Industrial Estate
Ambattur (AMB-2)
Chennai- 600 058, India
Tel. : +(91) 44 2623 2318
Fax :+(91) 44 6107 7555

Sterling Technopolis
4/293 Old Mahabalipuram Road
Kandanchavadi
Chennai- 600 096, India
Tel. : +(91) 44 4395 7777
Fax :+(91) 44 4359 3445

Unit-2, Block-1, No. 84,
Greams Road
Thousand Lights
Chennai- 600 006, India
Tel : +(91) 44 6622 5522

34 & 35 Haddows Road,
Chennai- 600 034, India
Tel. : +(91) 44 4220 9999
Fax :+(91) 44 4213 2749

Thapar House
43 / 44, Montieth Road, Egmore,
Chennai- 600 008, India
Tel. : +(91) 44 2855 2903/4
Fax :+(91) 44 2851 1986

D-12, 12B, Ambattur Industrial
Estate, Ambattur (AMB-1)
Chennai- 600 058, India
Tel. : +(91) 44 2623 0711
Fax :+(91) 44 2624 4213

94, South Phase
Ambattur Industrial Estate,
Ambattur (AMB-4)
Chennai- 600 058, India
Tel: +(91) 44 4226 2222
Fax:+(91) 44 4215 3333

35, South Phase
Guindy Industrial Estate
Ekkaduthangal, (GUINDY-2)
Chennai- 600 097, India
Tel : +(91) 44 2231 8321
Fax :+(91) 44 2231 8320

#30, Ethiraj Salai, Egmore,
Chennai- 600105, India
Tel : +(91) 44 2828 9200

49-50, Nelson
Manickam Road
Chennai- 600 029, India
Tel. : +(91) 44 2374 1939
Fax :+(91) 44 2374 1038

No.184-188, 190,192 & 196
Arcot Road, Vadapalani
Chennai- 600 026, India
Tel. : +(91) 44 2372 9000
Fax :+(91) 44 2480 6640

8,South Phase, MTH Road,
Ambattur Industrial Estate
Ambattur (AMB-6)
Chennai- 600 058, India
Tel:+(91) 44 4396 8000
Fax:+(91) 44 4396 7004

73-74, South Phase
Ambattur Industrial Estate
Ambattur (AMB-5)
Chennai- 600 058, India
Tel:+(91) 44 4393 5000
Fax:+(91) 44 4206 0441

601-602, 604 Tidel Park
4 Canal Road, Taramani
Chennai- 600 113, India
Tel. : +(91) 44 2254 0473
Fax :+(91) 44 2254 0308

Module 201 to 203,
Tidel Park Coimbatore limited
ELCOT SEZ - IT\ITES
Villankurichi Road, Civil Aero-drome Post,
Coimbatore -641004 India
Tel: +(91) 0422 6657525
Fax:+ (91)0422 6657554

Chennai SEZ

Module 1, Tower 1,
Floor Nos. 1 & 6,
"Chennai One" SEZ Unit
ETL Infrastructure Services Ltd., 200 Ft, Thoraipakkam,
Pallavaram Ring Road,
Thoraipakkam,
Chennai- 600 096
Tel : +(91) 44 6630 1000

ETA- Techno Park
SPECIAL ECONOMIC ZONE,
33, Rajiv Gandhi Salai, Navallur
Village and Panchayat, Thiruporur
Panchayat Union, Chengalpet Taluk,
Kanchipuram Dist, Chennai- 603 103
Tel: +(91) 44 4746 1000
Fax : +(91) 44 6741 2222

ELCOT - SEZ
Special Economic Zone,
602/3, 138, Shollinganallur
Village,
Shollinganallur - Medavakkam
High Road,
Tambaram Taluk,
Kancheepuram (Dist), Chennai-600 119,
Tel: +(91) 44 6105 0000
Fax: +(91) 44 4332 5443

Gurgaon - Centres

Plot No CP-3, Sector - 8,
Techno park, Manesar
Haryana, India
Tel : +(91) 0124 6186000
Fax :+(91) 0124 4012518

Plot No. 244, Udyog Vihar Phase 1
Gurgaon, 122 016
Haryana, India
Tel. : +(91) 124 434 6200
Fax :+(91) 124 234 9020

Kolkata Centres

SDF Building, 1st & 3rd floors,
Module Nos. 212-214, 228-230 & 413,
Block - GP, Sector - V
Salt Lake, Kolkata 700 091, India
Tel : +(33) 2357 3024-25
Fax : +(33) 2357 3027

M/s. Unitech Hi-Tech Structures Ltd.
Special Economic Zone - IT/ITES
Plot No.1, Block No. A2, 3rd & 4th
Floors, DH Street, 316 New Town,
Rajarhat, Dist. North 24 Parganas,
Kolkata - 700 156, India
Tel: +(33) 3027 2350

Noida Centres

A- 10 &11, Sector 3,
Noida 201301,
U.P., India
Tel. : +(91) 120 4013000
Fax : +(91) 120 2539799

A 9, 16, 17 & 18, Sector 3,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4382800
Fax :+(91) 120 2530591

C - 22 A, Sector 57
Noida 201 301,
U.P., India,
Tel. : +(91) 120 4385000
Fax :+(91) 120 2586420

A - 22, Sector 60,
Noida - 201301,
U.P., India
Tel: +(91) 120-4364200
Fax:+(91) 120-4347485

C-23, Sector 58,
Noida 201301,
U.P., India
Tel: +(91) 120-4364200
Fax :+(91) 120-2490428

Plot No 1& 2, Noida Express Highway,
Sector-125, Noida-201301, U.P., India
Tel: +(91) 120 4046000
Fax:+(91) 120 4258946

A - 5, Sector 24,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4382020
Fax :+(91) 120 2411005

A 91, Sector 2,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4502700
Fax :+(91) 120 2529000

B-34 / 3, Sector 59,
Noida 201301,
U.P., India
Tel: +(91) 120- 4364488
Fax: +(91) 120-2589688

A-104, Sector 58,
Noida 201301,
U.P., India
Tel: +(91) 120-4061200
Fax:+(91) 120-2589667

A 2, Sector 3,
Noida, 201301,
U.P., India.
Tel. : +(91) 120 4362900
Fax :+(91) 120 2534773

A11, Sector 16,
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4383000
Fax : +(91) 120 2510713

A- 8 & 9, Sector 60
Noida, 201 301,
U.P., India
Tel. : +(91) 120 4384000
Fax : +(91) 120 2582915

C-49, Sec-57
Noida 201301,
U.P. India,
Tel : +(91) 120 3387000
Fax: +(91) 120 4120303

F 8 & 9, Sector 3,
Noida-201301
UP, India
Tel : +(91) 120 4362100
Fax: +(91) 120 2525681

B 39, Sector 1,
Noida, 201 301,
U.P., India
Tel : +(91) 120 4024700
Fax :+(91) 120 2425840

Noida SEZ

Noida Technology Hub (SEZ)
Plot No: 3A, Sector-126,
Noida-201303
U.P., India
Tel: +(91) 120 4683000
Fax: +(91) 120 4683030

Hyderabad Centre

DHFLVC Silicon Towers, Second Floor,
Kothaguda,
Hyderabad-500084
Tel: +(91) 40 6615 2222

4th Floor, Pawani Plaza
No.6-3-698/A,
Panjagutta
Hyderabad - 500082
Ph: +(91) 40-4202 7025

Avance Business Hub
Tower: H08, Phoenix Infocity Pvt.
Ltd.{SEZ}, HITEC CITY 2
Survey No.30, 34, 35 & 38
Hyderabad-500 081, India
Land Mark: Behind Cyber Gateway
Tel: +(91) 40 3094 1000
Fax: +(91) 40 4027 3333

Pune Center

"Commerzone", Unit# 401, 4th Floor,
Building 7
Samrat Ashoka Path,
Opp. Airport Road, Yerwada,
Pune (Maharashtra) - 411006
Tel: +(91)-20-67279000
Fax: +(91)-20-67279008

"The Chambers", Unit No.201, 2nd
Floor
Viman Nagar, Taluka Haveli, Village
Lohagaon
Pune 411014
Tel: +(91)-20-66438803
Fax: +(91)-20-66438802

Pune SEZ

Tower-7, Upper Ground Floor, Wing
A&B
Magarpatta SEZ
Hadapsar, Pune-400013
Tel : +(91) 20 3040 6300-01

Bangalore - Centers

Vertex Tech Park
#564, Pattandur Agrahara Road
Off Whitefield Road , Next to ITPL
Bangalore-560066, India
Tel : +(91) 80 4187 3000
Fax : +(91) 80 4115 7474

#690, 5& 6th Floor,
Gold Hill Square (GHS)
Bommanahalli,
Hosur Main Road,
Bangalore - 560 068, India
Tel : +(91) 80 4141 5000
Fax: +(91) 80 2572 7989

SJR Equinox, Survey No.47/8,
Dhodda Thogur Village,
Begur Hobli, Electronic City- 1st phase,
Bangalore-560100
Tel : +(91) 80 33209000
Fax: +(91) 80 33208000

The Senate,
33/1, Ulsoor Road,
Bangalore - 560 042, India
Tel : +(91) 80 4190 6000
Fax : +(91) 80 4124 6888

Surya Sappihre
Plot No:3
1st Phase Electronic City
Hosur Road
Bangalore 560 100, India
Tel : + (91) 80 6626 7000
Fax: +(91) 80 2852 9100

Bangalore SEZ

No. 129, Jigani Bomasandra,
Link Road , Jigani Industrial Area
Bangalore: 562106, India
Tel : +(91) 80 6781 0000
Fax: +(91)80 6631 1111

8 & 9, G.B. Palya,
Off. Hosur Road,
Bangalore - 560 068. India
Tel : +(91) 80 4158 4000
Fax:+(91) 80 2573 5516

#6, A.S. Chambers.
80 Feet Road.
6th Block, Koramangala.
Bangalore - 560095, India
Tel : +(91) 80 6644 1000
Fax: +(91) 80 6644 1117

Compliance with non-mandatory requirements of clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement provides certain mandatory requirements which have to be fulfilled by the Company. The clause further states certain non-mandatory requirements which may be implemented as per the discretion of the Company. We comply with the following non-mandatory requirements:

1. **The tenure of Independent Director**

   The Board has decided that Independent Directors shall have tenure, in the aggregate, a period of 9 years on the Board of the Company. For the independent directors who were on the Board on July 01, 2008, the period of 9 years shall be w.e.f. July 1, 2008 and for any appointments thereafter, the said term shall be from the date of the appointment.

2. **Remuneration Committee**

   The Compensation Committee of the Company is in existence from September, 1999. An independent non executive director of the Company is the Chairperson of the Compensation Committee. All the members of the Compensation Committee are independent non executive directors. The details of the Compensation Committee are provided elsewhere in the Report.

3. **Shareholders Rights**

   The clause states that half- yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each shareholder.

   We communicate with investors regularly through e-mail, telephone and face to face meetings either in investor's conferences, Company visits or on road shows.

   We also leverage the internet in communicating with our investor's base. After the announcement of the quarterly results, a business television channel in India telecasts discussions with our Management. This enables a large number of retail investors in India to understand our operations better. The announcement of quarterly results is followed by media briefing in press conferences and earning conference calls. The earning calls are also webcast live on the internet. Further, transcripts of the earnings calls are posted on the website www.hcltech.com. We also publish our quarterly results in English and Hindi daily newspapers.

4. **Audit Qualifications**

   It is always the Company's endeavor to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended June 30, 2013.

5. Training to Board Members

The Board has adopted a policy for training of new non-executive directors which shall inter-alia provide (a) orientation and presentations to the non-executive directors to enable them to get familiarized with the operations of the Company; (b) orientation on group structure, subsidiaries, constitution, Board procedures and matters reserved for the Board, major risks and risk management strategies, etc. and (c) training on corporate excellence.

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's businesses and the external environment affecting the industry as a whole. The non executive directors are also provided with reports issued by the Company from time to time and internal policies to enable them to familiarize with the Company's procedures and practices. Independent Directors are regularly updated on performance of each line of business of the Company, state of the market, business strategy going forward and new initiatives being taken/ proposed to be taken by the Company.

6. Whistle Blower Framework

The Company has a Whistleblower Framework for making a disclosure of any unethical activity that they have observed which includes violation of any law, rule, regulation or code of business ethics and conduct or any company policy or fraudulent and corrupt practices. All cases registered under the Whistle Blower Policy of the Company are reported to the Whistle Blower Committee. An update on whistle blower cases is also provided to the Audit Committee.

AUDITORS' CERTIFICATE

REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of HCL Technologies Limited

We have examined the compliance of conditions of corporate governance by HCL Technologies Limited (the 'Company'), for the year ended on June 30, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R. Batliboi & Co. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership No.: 17401

Place: Gurgaon (Haryana)
Date: July 31, 2013

DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO

CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT OF THE INDIAN STOCK EXCHANGES

We, Shiv Nadar, Chairman & Chief Strategy Officer and Anant Gupta, President & Chief Executive Officer of HCL Technologies Limited ("the Company") confirm that the Company has adopted a Code of Business Ethics and Conduct ("Code of Conduct") for its Board members and senior management personnel and the Code of Conduct is available on the Company's web site.

We, further confirm that the Company has in respect of the financial year ended June 30, 2013, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Place: Noida (U.P.), India
Date: July 31, 2013

Anant Gupta
President & Chief Executive Officer

Shiv Nadar
Chairman and Chief Strategy Officer

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT OF THE INDIAN STOCK EXCHANGES

We, Shiv Nadar, Chairman & Chief Strategy Officer, Anant Gupta, President & Chief Executive Officer, Anil Chanana, Chief Financial Officer of HCL Technologies Limited ("the Company") certify that:

1. We have reviewed the financial statements and the Cash Flow Statement of the Company for the year ended June 30, 2013 and that to the best of our knowledge and belief -
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee -
   (i) significant changes, if any, in internal control over financial reporting during the year.
   (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Anant Gupta
President & Chief Executive Officer

Shiv Nadar
Chairman and Chief Strategy Officer

Anil Chanana
Chief Financial Officer

Place : Noida (U.P.), India
Date : July 31, 2013

Financial Statements

INDEPENDENT AUDITOR'S REPORT
To the Members of HCL Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HCL Technologies Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;

   (e) On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership Number: 17401

Place of Signature: Gurgaon
Date: July 31, 2013

Annexure referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date
Re: HCL Technologies Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	1,559,934	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	117,357,603	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,495,038,602	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	79,113,941	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,347,790,098	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	568,484	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12,695,202	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	8,323,382	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	73,889,619	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961*	Income Tax	49,864,642	2005-06	Delhi High Court

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	18,603	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	14,910,000	2004-05	Delhi High Court
Income Tax Act, 1961*	Income Tax	62,133,501	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	388,378,625	2004-05	Supreme Court of India
Income Tax Act, 1961*	Income Tax	19,462,691	2004-05	Delhi High Court
Income Tax Act, 1961#	Income Tax	165,412	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	176,062,957	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	1,420,000	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	95,176,349	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	12,831,441	2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	21,175,729	2002-03	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,432,500	2001-02	Delhi High Court
Income Tax Act, 1961#	Income Tax	4,162,204	2001-02	Income Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	2,018,406	2005-06	Customs ,Excise, Service Tax Appellant Tribunal, Bangalore
Indian Stamp Act, 1889	Stamp Duty	143,763	2012-13	District Court, Delhi
Central Sales tax Act, 1956#	Sales tax	44,400	1995-96	Allahabad High Court

* In these cases tax demand may arise only if the matter currently subjudice before Honorable Delhi High Court is decided against the Company.

Added pursuant to scheme for demerger of IT enabled business of HCL Comnet Systems & Services Limited

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The company has created security or charge in respect of debentures outstanding at the year end.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership No.: 17401

Place of Signature : Gurgaon, India
Date : July 31, 2013

Balance Sheet as at 30 June 2013

(All amounts in crores of ₹)

	Note No.	As at 30 June 2013	As at 30 June 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	**2.1**	139.37	138.66
(b) Reserves and surplus	**2.2**	10,093.36	6,465.15
		10,232.73	**6,603.81**
(2) Share application money pending allotment	**2.3**	5.01	2.77
(3) Non - current liabilities			
(a) Long-term borrowings	**2.4**	532.66	525.65
(b) Other long-term liabilities	**2.5**	436.92	349.63
(c) Long term provisions	**2.6**	165.98	163.18
		1,135.56	**1,038.46**
(4) Current liabilities			
(a) Short term borrowings	**2.7**	82.48	173.22
(b) Trade payables	**2.8**	333.29	380.32
(c) Other current liabilities	**2.8**	2,978.45	1,883.84
(d) Short term provisions	**2.9**	1,191.81	794.61
		4,586.03	**3,231.99**
TOTAL		**15,959.33**	**10,877.03**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	**2.10**	1,896.95	1,552.39
(ii) Intangible assets	**2.10**	57.23	61.32
(iii) Capital work in progress		488.19	549.55
		2,442.37	**2,163.26**
(b) Non-current investments	**2.11**	3,609.72	2,933.67
(c) Deferred tax assets (net)	**2.12**	376.69	237.15
(d) Long term loans and advances	**2.13**	764.09	621.67
(e) Other non-current assets	**2.14**	132.70	242.57
		7,325.57	**6,198.32**
(2) Current Assets			
(a) Current investments	**2.11**	445.98	364.28
(b) Inventories	**2.15**	81.84	99.99
(c) Trade receivables	**2.16**	2,709.21	1,992.42
(d) Cash and bank balances	**2.17**	2,808.83	1,041.20
(e) Short - term loans and advances	**2.18**	1,511.51	428.71
(f) Other current assets	**2.19**	1,076.39	752.11
		8,633.76	**4,678.71**
TOTAL		**15,959.33**	**10,877.03**
Summary of significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HCL Technologies Limited

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

per Tridibes Basu
Partner
Membership Number: 17401

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Gurgaon, India
31 July 2013

Noida (UP), India
31 July 2013

Statement of Profit and Loss for the year ended 30 June 2013

(All amounts in crores of ₹ except share data unless otherwise stated)

	Note No.	Year ended 30 June 2013	Year ended 30 June 2012
Income			
Revenue from operations	**2.20**	12,517.82	8,907.22
Other income	**2.21**	378.84	300.86
Total revenue		**12,896.66**	**9,208.08**
Expenses			
Cost of materials	**2.22**	259.49	206.36
Employee benefit expenses	**2.23**	4,628.61	3,923.06
Finance costs	**2.24**	76.46	97.27
Depreciation and amortization expense	**2.10**	441.91	353.07
Other expenses	**2.25**	3,038.99	2,267.58
Total expenses		**8,445.46**	**6,847.34**
Profit before tax		**4,451.20**	**2,360.74**
Provision for tax			
Current tax		(924.55)	(481.68)
Less: MAT Credit Entitlement		84.78	65.48
Add: MAT Credit Entitlement written off		(70.35)	-
Net current tax		(910.12)	(416.20)
deferred tax credit		70.10	5.88
Profit for the year before impact of scheme of arrangement relating to earlier period		**3,611.18**	**1,950.42**
Impact of scheme of arrangement relating to earlier period	**2.36**	93.54	-
Profit for the year		**3,704.72**	**1,950.42**
Earnings per equity share of par value ₹ 2 each (computed on the basis of profit for the year)	**2.32**		
Basic (in ₹)		53.32	28.23
Diluted (in ₹)		52.45	27.72
Computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period			
Basic (in ₹)		51.98	28.23
Diluted (in ₹)		51.13	27.72
Summary of significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HCL Technologies Limited

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2013

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2013

Cash flow statement

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
A. Cash flows from operating activities		
Profit before tax	4,451.20	2,360.74
Adjustment for:		
Depreciation and amortization	441.91	353.07
Interest income	(181.47)	(87.85)
Dividend income	(28.95)	(43.39)
Profit on sale of investments (net)	(15.51)	-
Profit on sale of long term investment in joint venture	(55.54)	-
Interest expenses	63.86	88.65
Profit on sale of fixed assets	(1.55)	(2.48)
Employee stock compensation expense	14.97	135.29
Other non cash charges	109.05	43.62
Operating profit before working capital changes	**4,797.97**	**2,847.65**
Movement in Working Capital		
(Increase)/decrease in trade receivables	(534.21)	(370.92)
(Increase)/decrease in inventories	19.19	25.30
(Increase)/decrease in loans and advances	(15.63)	7.68
(Increase)/decrease in other assets	(270.23)	(278.54)
Increase/ (decrease) in liabilities and provisions	852.94	346.51
Cash generated from operations	**4,850.03**	**2,577.68**
Direct taxes paid (net of refunds)	(808.42)	(417.58)
Net cash flow from operating activities before impact of scheme of arrangement relating to earlier period	**4,041.61**	**2,160.10**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	128.54	-
Net cash flow from operating activities (A)	**4,170.15**	**2,160.10**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,001.09	839.00
Investments in bank deposits	(3,613.59)	(959.50)
Purchase of investments in mutual funds	(4,417.51)	(4,091.77)
Proceeds from sale of investments in mutual funds	4,478.44	4,140.11
Deposits placed with body corporate	(630.50)	(50.00)
Proceeds from maturity of deposits placed with body corporate	50.00	-
Investments in subsidiaries	(464.60)	(693.31)
Proceeds from repayment of loans given to subsidiaries	(0.01)	38.61
Loans given to subsidiary	-	(0.15)
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(487.08)	(693.73)
Proceeds from sale of fixed assets	6.50	2.73
Proceeds from sale of long term investment in joint venture	66.32	-
Dividend received	28.95	43.39
Interest received	161.68	107.62
Taxes paid	(46.13)	(25.76)
Net cash flow used in investing activities before impact of scheme of arrangement relating to earlier period	**(2,866.44)**	**(1,342.76)**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	(119.04)	-
Net cash flow used in investing activities (B)	**(2,985.48)**	**(1,342.76)**

Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
C. Cash flows from financing activities		
Proceeds from issue of share capital	33.60	39.13
Proceeds from long term borrowings	22.52	21.90
Repayment of long term borrowings	(10.99)	(3.74)
Repayment of debentures	(330.00)	(170.00)
Proceeds from loans taken from subsidiaries	-	171.00
Proceeds from short term borrowings	(1.74)	296.85
Repayment of short term borrowings	-	(294.93)
Dividend paid	(694.56)	(691.02)
Corporate dividend tax	(113.75)	(112.10)
Interest paid	(78.33)	(89.22)
Principal payment on finance lease obligations	(1.89)	(4.99)
Net cash flow used in financing activities before impact of scheme of arrangement relating to earlier period	**(1,175.14)**	**(837.12)**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	(0.23)	-
Net cash flows used in financing activities (C)	**(1,175.37)**	**(837.12)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9.30	(19.78)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(9.78)	(13.23)
Cash and cash equivalents at the beginning of the year	134.69	167.70
Cash and cash equivalents acquired on implementation of scheme of arrangement (refer note 2.36)	21.60	-
Cash and cash equivalents at the end of the year as per note 2.17 (a) (refer note 1 below)	**155.81**	**134.69**

Notes:

1. Cash and cash equivalents include the following:

Investor Education and Protection Fund-Unclaimed dividend *	2.36	2.37

   * The Company can utilize these balances only towards the settlement of the respective above mentioned liabilities.

2. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date

For HCL Technologies Limited

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

per Tridibes Basu
Partner
Membership Number: 17401

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Gurgaon, India
31 July 2013

Noida (UP), India
31 July 2013

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Company Overview

HCL Technologies Limited (hereinafter referred to as 'HCL' or the 'Company') is primarily engaged in providing a range of software services, business process outsourcing and infrastructure services. The Company was incorporated in India in November 1991. The Company leverages an extensive offshore infrastructure and its global network of offices in various countries and professionals to deliver solutions across select verticals including Financial Services, Manufacturing (Automotive, Aerospace, Hi-tech and Semi conductor), Telecom, Retail and Consumer packaged goods services , Media publishing and entertainment, Public services, Energy and utility, Healthcare, Travel, Transport and Logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

d) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

The management's estimates of the useful lives of the various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including, air conditioners and electrical installations)	4 to 5
Office equipments	4 to 5
Computers	2 to 4
Furniture and fixtures	4
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold- improvements	Over the remaining period of lease or 4 years, whichever is lower

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If persuasive evidence exists to the affect that useful life of an intangible asset exceed ten years, the Company amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill arising out of amalgamation is amortized over its useful life not exceeding 5 years unless a longer period can be justified .The management's estimates of the useful life of the Software is as follows:

	Life (in years)
Software	3

f) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
(ii) Its intention to complete the asset;
(iii) its ability to use or sell the asset;
(iv) how the asset will generate future economic benefits;
(v) the availability of adequate resources to complete the development and to use or sell the asset; and
(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Where the Company is the lessor

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leases. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct cost such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct cost such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

h) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Company derives revenues primarily from:-

- Software services;
- Infrastructure services; and
- Business process outsourcing services.

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which the revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from infrastructure management services comprise income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned income arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multi-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company gives volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Revenue from sales-type leases is recognized when risk of loss has transferred to the client and there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Interest attributable to sales-type leases and direct financing leases included therein is recognized on the accrual basis using the effective interest method.

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

m) Foreign currency translation

(i) *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) *Exchange Differences*

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the statement of profit and loss in the year in which they arise.

(iv) *Hedging*

(a) *Cash flow hedging*

The Company uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Company's policies, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates

In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained there until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) *Hedging of monetary assets and liabilities*

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense for the year.

(v) *Translation of Integral and Non-integral foreign operation*

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Company itself.

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at monthly weighted average rates ,which approximate the actual exchange rates; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

n) Retirement and other employee benefits

i. Contributions to provident fund, a defined benefit plan, are deposited with the Recognized Provident Fund Trusts, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The interest rate payable by the Trust to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

ii. The Company contributes to a scheme administered on its behalf by an insurance company in respect of superannuation, a defined contribution plan for applicable employees and such contributions are charged to the statement of profit and loss for each period of service rendered by the employees. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans : The Company's contribution to State Plans , a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss for each period of service rendered by the employees.

o) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss . Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes down the carrying amount of the MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

p) Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably, the Company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2. Notes on accounts

2.1 Share Capital

	As at 30 June	
	2013	2012
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid up		
696,869,857 (Previous year 693,283,476) equity shares ₹ 2 each	139.37	138.66

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim dividends may be paid during the year on approval by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 June			
	2013		2012	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	693,283,476	138.66	688,688,524	137.74
Add: Shares issued on exercise of employee stock options	3,576,256	0.71	4,594,952	0.92
Add: Shares issued under scheme of arrangement (refer note 2.36)	10,125	0.00*	-	-
Number of shares at the end	696,869,857	139.37	693,283,476	138.66

The Company does not have any holding/ ultimate holding company.
* Absolute amount equals to ₹ 20,250

Details of shareholders holding more than 5 % shares in the company:-

	As at 30 June			
	2013		2012	
Name of the shareholder	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited *	311,964,982	44.77%	311,973,367	45.00%
HCL Holdings Private Limited	119,548,908	17.16%	119,548,908	17.24%

* Shares earlier held by Slocum Investment (Delhi) Private Limited vested into Vama Sundari Investments (Delhi) Private Limited with effect from 22 March 2013 (the effective date) pursuant to the Scheme of Amalgamation approved by High Court.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June				
	2013	2012	2011	2010	2009
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	10,125 Equity Shares	Nil	Nil	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2013, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service period/ Group performance

During the year ended 30 June 2012, the following schemes were in operation:

	ESOP1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service period/ Group performance

Each option granted under the above plans entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Compensation Committee.

The details of activity under various plan's have been summarized below:-

ESOP 1999	Year ended 30 June			
	2013		2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	536,630	655.52	745,947	650.99
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(176,588)	638.71	(193,018)	640.18
Expired during the year	(35,620)	640.08	(16,299)	629.90
Options outstanding at the end of the year	**324,422**	**666.37**	**536,630**	**655.52**
Options exercisable at the end of the year	**324,422**		**536,630**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,690.93 (Previous year ₹ 1,755.22)

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended 30 June			
	2013		2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,024,030	632.18	1,484,659	622.94
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(313,419)	618.13	(382,084)	606.70
Expired during the year	(127,356)	625.65	(78,545)	581.54
Options outstanding at the end of the year	**583,255**	**641.16**	**1,024,030**	**632.18**
Options exercisable at the end of the year	**583,255**		**1,024,030**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,619.54 (Previous year ₹ 1,749.35)

ESOP 2004	Year ended 30 June			
	2013		2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	3,605,488	13.61	3,928,675	17.22
Add: Granted during the year	21,220	8.00	484,740	8.00
Less: Forfeited during the year	(962,180)	8.00	(230,480)	8.00
Exercised during the year	(404,057)	17.64	(573,636)	31.70
Expired during the year	(22,270)	88.72	(3,811)	640.17
Options outstanding at the end of the year *	**2,238,201**	**14.48**	**3,605,488**	**13.61**
Options exercisable at the end of the year	**295,101**		**464,828**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,942.59 (Previous year ₹ 1,704.10)

* Total number of outstanding options includes 1,549,700 as on 30 June 2013 (1,732,660 as on 30 June 2012) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2013 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price(₹)
Employee Stock Option Plan -1999	₹ 240 -₹ 750	324,422	0.68	666.37
Employee Stock Option Plan -2000	₹ 260 - ₹ 470 ₹ 483- ₹ 823	- 583,255	- 0.63	- 641.16
Employee Stock Option Plan -2004	₹ 8 ₹ 642- ₹ 741	2,216,841 21,360	5.61 0.64	8.00 687.24

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

The details of exercise price for stock options outstanding at the end of the year 30 June 2012 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price(₹)
Employee Stock Option Plan -1999	₹ 240 - ₹ 750	536,630	1.46	655.52
Employee Stock Option Plan -2000	₹ 260 - ₹ 470 ₹ 483 - ₹ 823	20,785 1,003,245	0.26 1.31	393.67 637.12
Employee Stock Option Plan -2004	₹ 8 ₹ 642 - ₹ 741	3,575,936 29,552	6.47 1.45	8.00 691.65

The weighted average fair value of stock options granted during the year was ₹ 1,914.35(Previous year ₹ 1,532.85). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 30 June	
	2013	2012
Weighted average share price	324.74	321.95
Exercise Price	₹ 2.00	₹ 2.00
Expected Volatility	36.88%	37.06%
Historical Volatility	36.88%	37.06%
Life of the options granted (vesting and exercise period) in years	2.96 - 5.00 Years	1.71 - 6.00 Years
Expected dividends	₹ 8.00	₹ 8.00
Average risk-free interest rate	7.78%	7.78%
Expected dividend rate	2.46%	2.48%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The same is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

		Year ended 30 June	
		2013	2012
Net income- As reported		**3,704.72**	**1,950.42**
Add: Employee stock compensation under intrinsic value method		14.97	135.29
Less: Employee stock compensation under fair value method		16.79	130.81
Net income - Proforma		**3,702.90**	**1,954.90**
Earnings per share (₹) refer note 2.32			
Basic	- As reported	53.32	28.23
	- Proforma	53.30	28.29
Diluted	- As reported	52.45	27.72
	- Proforma	52.43	27.78

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.2 Reserves and Surplus

	As at 30 June	
	2013	2012
Securities premium account		
Balance as per last financial statements	1,769.76	1,654.23
Add: Exercise of stock option by employees	93.59	115.53
Add: Adjustment pursuant to implementation of scheme of arrangement (refer note 2.36)	0.48	-
	1,863.83	**1,769.76**
Debenture redemption reserve		
Balance as per last financial statements	630.00	590.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	210.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	(330.00)	(170.00)
	400.00	**630.00**
Share options outstanding		
Balance as per last financial statements	555.08	591.26
Add: Options granted during the year	5.68	74.53
Less: Options forfeited during the year	(166.43)	(31.61)
Less: Transferred to securities premium on exercise of stock options	(62.94)	(79.10)
	331.39	**555.08**
Less:- deferred employee compensation cost	(116.47)	(292.19)
	214.92	**262.89**
Hedging reserve account (net of deferred tax) (refer note 2.31)		
Balance as per last financial statements	(385.57)	19.24
Add: Movement during the year (net)	(102.95)	(404.81)
	(488.52)	**(385.57)**
Foreign currency translation reserve		
Balance as per last financial statements	(6.90)	0.37
Add: Exchange difference during the year on net investment in non-integral operations	4.17	(7.27)
	(2.73)	**(6.90)**
General Reserve		
Balance as per last financial statements	1,009.20	814.16
Add: amount transferred from surplus in the statement of profit and loss	380.00	195.04
	1,389.20	**1,009.20**
Capital Reserve		
Balance as per last financial statements	-	-
Add: Adjustment pursuant to implementation of Scheme of Arrangement (refer note 2.36)	119.54	-
	119.54	**-**
Surplus in the statement of profit and loss		
Balance as per last financial statements	3,185.77	2,435.71
Add: Profit for the year	3,704.72	1,950.42
Add: Amount transferred from debenture redemption reserve due to redemption of debentures	330.00	170.00
Add: Surplus acquired under the scheme of arrangement (refer note 2.36)	831.81	-
Amount available for appropriation	**8,052.30**	**4,556.13**
Less: Appropriations		
Interim dividend [amount per share ₹ 6 (Previous year ₹ 8)]	416.94	552.98
Proposed final dividend [including ₹ 0.30 crores (previous year ₹ 0.29 crores) paid for previous year] [amount per share ₹ 6 (Previous year ₹ 4)]	418.42	277.60
Total dividend	**835.36**	**830.58**
Corporate dividend tax [including ₹ 0.05 crores (previous year ₹ 0.05 crores) paid for previous year]	139.82	134.74
Transfer to general reserve	380.00	195.04
Transfer to debenture redemption reserve	100.00	210.00
Net surplus in the statement of profit and loss	**6,597.12**	**3,185.77**
	10,093.36	**6,465.15**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.3 Share application money pending allotment

	As at 30 June	
	2013	2012
- number of shares proposed to be issued	356,008	211,332
- the amount of premium	4.94	2.73
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note- Share application money has not remained pending beyond the period mentioned in the share application. The maximum period within which the shares shall be allotted will be 180 days from the date of receipt of share application money.

2.4 Long term borrowings

	Non-current portion		Current maturities	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
(a) Secured				
Debentures (refer note 1 below)				
8.80% Secured redeemable non convertible debentures of ₹ 10 lacs each (repayable on 10 September 2014)	500.00	500.00	-	-
8.20% Secured redeemable non convertible debentures of ₹ 10 lacs each (repayable on 25 August 2012)	-	-	-	330.00
From banks				
Long term loans (refer note 2 below)	32.33	23.66	9.68	5.87
From others				
Finance lease obligations (refer note 3 below and Note 2.26(i))	0.33	1.99	1.76	5.08
	532.66	**525.65**	**11.44**	**340.95**
Amount disclosed under the head "other current liabilities" (note 2.8)	**-**	**-**	**(11.44)**	**(340.95)**
	532.66	**525.65**	**-**	**-**

Note:-

1. These debentures have a maturity period ranging from three years to five years and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company. During the year the Company has paid ₹ 330 crores on redemption of 8.20% series Secured redeemable non convertible debentures.
2. Secured by hypothecation of gross block of vehicles of ₹ 68.80 crores (Previous year ₹ 43.86 crores) at interest rates ranging from 8% to 11%. The loans are repayable over a period of 3 to 5 years on a monthly basis.
3. Obligations under finance lease are secured by vehicles taken on lease at interest rates ranging from 8% to 11%.

2.5 Other long term liabilities

	As at 30 June	
	2013	2012
Income received in advance	141.62	67.15
Income received in advance- related parties	35.14	1.07
Liability for expenses	15.36	13.70
Unrealized loss on forward covers	244.80	267.71
	436.92	**349.63**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.6 Long term provisions

	As at 30 June	
	2013	2012
Provision for employee benefits	165.98	163.18
	165.98	**163.18**

2.7 Short term borrowings

	As at 30 June	
	2013	2012
Unsecured		
Bank overdraft	0.48	2.22
Loans from related parties	82.00	171.00
	82.48	**173.22**

2.8 Trade payable and other current liabilities

	As at 30 June	
	2013	2012
Trade payables (refer note 2.33 for details of dues to micro and small enterprises)	112.70	96.32
Trade payables-related parties	220.59	284.00
	333.29	**380.32**
Other current liabilities		
Current maturities of long term loans	11.44	340.95
Interest accrued but not due on borrowings	2.51	5.26
Interest accrued but not due on borrowings- related parties	0.55	1.23
Investor education and protection fund (shall be credited by following amounts as and when due) - Unclaimed dividends	2.36	2.37
Advances received from customers	43.43	29.12
Advances received from customers- related parties	7.36	2.98
Capital Accounts Payables [includes supplier credit ₹ 297.40 (previous year ₹ Nil)]	390.96	98.93
Capital Accounts Payables-Related parties [includes supplier credit ₹ 7.12 (previous year ₹ Nil)]	7.86	2.57
Unrealized loss on forward cover	434.40	209.80
Income received in advance	122.91	83.96
Income received in advance-related parties	435.07	227.51
Accrued salaries and benefits		
Employee bonuses accrued	384.40	224.75
Other employee costs	168.69	142.68
Other liabilities		
Liabilities for expenses	562.81	357.31
Liabilities for expenses-related parties	211.60	103.61
Supplier Credit	80.55	-
Supplier Credit -related parties	45.26	-
Withholding and other taxes payable	64.46	44.85
Book Overdraft	1.83	5.96
	2,978.45	**1,883.84**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.9 Short term provisions

	As at 30 June	
	2013	2012
Provision for employee benefits	174.62	123.45
Proposed dividend on equity shares	418.12	277.31
Taxes on dividend	71.06	44.99
Income taxes (refer note 1 below)	526.65	347.49
Wealth tax (refer note 2 below)	1.36	1.37
	1,191.81	**794.61**

Notes:-

1. Net of advance income tax of ₹ 2,192.12 crores (Previous year ₹ 1,113.29 crores).
2. Net of advance wealth tax of ₹ 5.31 crores (Previous year ₹ 3.96 crores).

Note 2.10 Fixed Assets (refer note 1(c), (d) , (e) and 2.36)

	Gross block							Accumulated depreciation / amortization							Net block	
	As at 1 July 2012	Additions	Net additions of earlier period #	Transfer on scheme of arrange-ment*	Deletions/ Adjust-ments	Translation exchange differences	As at 30 June 2013	As at 1 July 2012	Charge for the year	Net additions of earlier period #	Transfer on scheme of arrange-ment*	Deletions/ Adjust-ments	Translation exchange differences	As at 30 June 2013	As at 30 June 2013	As at 30 June 2012
Tangible Assets																
Freehold land	80.89	-	-	-	-	-	80.89	-	-	-	-	-	-	-	80.89	80.89
Leasehold land	126.44	37.48	-	-	-	-	163.92	10.48	1.65	-	-	-	-	12.13	151.79	115.96
Buildings	856.51	313.07	-	-	-	-	1,169.58	124.81	48.35	-	-	-	-	173.16	996.42	731.70
Plant and machinery	548.00	135.51	-	-	13.50	0.21	670.22	344.89	93.04	-	-	13.49	0.12	424.56	245.66	203.11
Office Equipment	128.03	20.96	1.13	64.97	12.09	0.18	203.19	94.77	20.37	1.08	57.38	11.99	0.16	161.78	41.41	33.26
Computers	869.44	120.99	4.86	65.94	187.44	0.36	874.14	604.60	170.53	3.24	43.19	186.68	0.25	635.13	239.01	264.84
Furniture and fittings	411.91	45.52	-	29.26	29.48	0.43	457.65	335.55	37.04	0.14	28.77	29.46	0.31	372.34	85.31	76.36
Vehicles - owned	49.64	30.32	-	0.08	6.57	-	73.46	12.65	11.95	-	0.08	2.00	-	22.69	50.77	36.99
- leased	21.56	1.15	-	2.18	11.12	-	13.77	12.28	3.43	-	0.58	8.21	-	8.08	5.69	9.28
Total (A)	**3,092.42**	**705.00**	**5.99**	**162.43**	**260.20**	**1.18**	**3,706.82**	**1,540.03**	**386.36**	**4.46**	**130.00**	**251.83**	**0.84**	**1,809.87**	**1,896.95**	**1,552.39**
Intangible Assets																
Goodwill	1.98	-	-	-	-	-	1.98	1.98	-	-	-	-	-	1.98	-	-
Software	402.86	40.36	2.28	65.36	73.79	0.01	437.08	341.54	55.55	2.68	53.86	73.79	0.01	379.85	57.23	61.32
Total (B)	**404.84**	**40.36**	**2.28**	**65.36**	**73.79**	**0.01**	**439.06**	**343.52**	**55.55**	**2.68**	**53.86**	**73.79**	**0.01**	**381.83**	**57.23**	**61.32**
Total (A)+(B)	**3,497.26**	**745.36**	**8.27**	**227.79**	**333.99**	**1.19**	**4,145.88**	**1,883.55**	**441.91**	**7.14**	**183.86**	**325.62**	**0.85**	**2,191.70**	**1,954.18**	**1,613.71**
Previous year	2,880.57	677.25	-	-	61.27	0.71	3,497.26	1,584.64	353.07	-	-	54.65	0.49	1,883.55	1,613.71	1,295.93

* Refer note 2.36
# Earlier period refer 1 April 2012 to 30 June 2012 (refer note 2.36)

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.11 Investments

	As at 30 June	
	2013	2012
Non-current investments- at cost		
In subsidiary companies, trade (unquoted), fully paid up		
Equity Instruments		
409,670,582 (Previous year 409,670,582) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,829.27	1,829.27
1,280 equity shares of ₹ 10,000 each (Previous year 12,804,909 equity shares of ₹ 10 each), in HCL Comnet Systems & Services Limited (refer note 2.36)	11.22	24.09
949,900 (Previous year Nil) equity shares of ₹ 10 each, in HCL Comnet Limited (refer note 1 below and note 2.36)	54.94	-
HCL Technologies (Shanghai) Limited (Issued & registered capital)	9.95	9.95
939,440 (Previous year 939,440) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25
30,000,000 (previous year Nil) equity shares of Pound 1 each fully paid up, in HCL EAS Limited (refer note 1 below and note 2.36)	224.80	-
1 (Previous year 1) equity shares of Euro 100 each, in HCL GmbH	0.11	0.11
92,000 (Previous year 92,000) equity shares of ₹ 10 each in HCL Eagle Limited	0.09	0.09
Preference shares		
275,000,000 (Previous year 190,000,000) Preference shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,424.09	959.49
In Joint venture trade (unquoted), fully paid up		
Nil (Previous year 10,780,000) shares of ₹ 10 each, in NEC HCL System Technologies Limited (refer note 2 below and note 2.35)	-	10.78
Aggregate amount of unquoted investments (A)	**3,559.72**	**2,839.03**
(Non trade and quoted)		
Investment in bonds(refer note 3 and 5 (i) below)	50.00	94.64
Aggregate amount of quoted investments (B)	**50.00**	**94.64**
Aggregate amount of non- current investments (A+B)	**3,609.72**	**2,933.67**
Current investments		
(Non trade and quoted)		
Investment in bonds(refer note 3 and 5 (i) below)	44.34	-
(At lower of cost and fair value non trade and unquoted)		
Investment in mutual fund(refer note 4 and 5(ii) below)	401.64	364.28
Aggregate amount of current investments	**445.98**	**364.28**

Note:-

1. Acquired pursuant to the scheme of amalgamation of HCL Comnet Systems & Services Limited with the Company. (refer note 2.36)
2. During the year, the Company has sold to NEC Corporation Limited its 49% stake in the joint venture "NEC HCL System Technologies Limited" at a gross consideration of USD 12 Mn (₹ 66.32 crores) and accordingly the Company has recognized a gain of ₹ 55.54 crores in the statement of profit and loss during the year.
3. Market value of current investments and non current investments in bonds as on 30 June 2013 is ₹ 43.94 (Previous year ₹ nil) and ₹ 48.42 crores (Previous year ₹ 91.54 crores) respectively.
4. Net asset value of current investments in mutual funds as on 30 June 2013 ₹ 405.26 crores (Previous year ₹ 364.28 crores).
5. The details of investments in mutual funds/ bonds are provided below:

i) Details of Investments in bonds - Other than trade and quoted

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	5,000	50.00
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	4,418	44.34	4,418	44.64
Total			**94.34**		**94.64**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Details of Investments in mutual funds - non trade and unquoted

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Daily Dividend					
ICICI Prudential Institutional Liquid Plan-Super Institutional	100			7,150,262	71.52
TATA Liquid Fund-Super High Investment Plan	1,000			598,727	66.73
Kotak Liquid fund-IP	10			45,130,252	55.19
SBI Premier Liquid Fund Super IP	1,000			591,808	59.37
UTI Liquid Fund-Cash Plan	1,000			1,093,472	111.47
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	99,326	17.01		
HDFC Liquid Fund	10	44,969,068	106.00		
ICICI Prudential Institutional Liquid Plan-Super Institutional	100	9,612,099	170.00		
UTI Liquid Fund-Cash Plan	1,000	533,232	101.61		
TATA Liquid Fund Plan	1,000	27,323	6.02		
SBI Premier Liquid Fund Super IP	1,000	5,317	1.00		
Total			**401.64**		**364.28**

2.12 Deferred tax assets (net)

	As at 30 June	
	2013	2012
Deferred tax assets:		
Accrued employee costs	110.15	63.42
Unrealized loss on derivative financial instruments	142.75	93.94
Depreciation and amortization	67.66	48.36
Others	56.68	32.89
Gross deferred tax assets (A)	**377.24**	**238.61**
Deferred tax liabilities:		
Others	0.55	1.46
Gross deferred tax liabilities (B)	**0.55**	**1.46**
Net deferred tax assets (A-B)	**376.69**	**237.15**

2.13 Long term loans and advances

	As at 30 June	
	2013	2012
Unsecured, considered good		
Capital advances	161.17	60.30
Capital advances-related parties	1.08	0.58
Security deposits	170.73	161.78
Others		
MAT credit entitlement	343.35	328.92
Inter corporate deposit with HDFC Limited	-	50.00
Prepaid expenses	27.91	19.96
Finance lease receivables (refer note 2.26 (iii))	59.52	-
Loans and advances to employees	0.33	0.13
	764.09	**621.67**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.14 Other non- current assets

	As at 30 June	
	2013	2012
Unsecured considered good unless otherwise stated		
Deferred cost	132.63	109.25
Bank deposits more than 12 months (refer note 1 below)	0.01	110.02
Interest receivable	-	23.30
Unrealized gain on derivative financial instruments	0.06	-
	132.70	**242.57**

Note:
1. Pledged with banks as security for guarantees and letter of credit ₹ 0.01 crores(Previous year ₹ 0.01 crores)

2.15 Inventories

	As at 30 June	
	2013	2012
Inventories		
Stock in trade (refer note 2.37)	80.29	88.12
Stores and spares	1.55	11.87
	81.84	**99.99**

2.16 Trade receivables (Unsecured)

	As at 30 June	
	2013	2012
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	113.38	62.95
Unsecured considered doubtful	10.46	4.76
	123.84	**67.71**
Provision for doubtful receivables	(10.46)	(4.76)
Total (A)	**113.38**	**62.95**
(b) Other receivables		
Unsecured considered good	2,595.83	1,929.47
Unsecured considered doubtful	133.56	60.59
	2,729.39	**1,990.06**
Provision for doubtful receivables	(133.56)	(60.59)
Total (B)	**2,595.83**	**1,929.47**
Total (A)+(B) (refer note 1 below)	**2,709.21**	**1,992.42**

Note:
1 Includes receivables from related parties amounting to ₹ 1,593.13 (Previous year ₹ 1,068.78)

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.17 Cash and bank balances

		As at 30 June	
		2013	2012
(a)	**Cash and cash equivalent**		
	Balance with banks		
	- in current accounts	29.02	47.19
	Cheques in hand	21.57	13.78
	Remittances in transit	102.86	71.35
	Unclaimed dividend account	2.36	2.37
		155.81	**134.69**
(b)	**Other bank balances**		
	Deposits with original maturity of more than 3 months but less than 12 months	2,653.02	906.51
		2,808.83	**1,041.20**

2.18 Short- term loans and advances

	As at 30 June	
	2013	2012
Unsecured , considered good		
Loans and advances to related parties	469.56	153.31
Others		
Security deposits	10.30	9.39
Inter corporate deposit with HDFC Limited	680.50	50.00
Advances to suppliers	36.65	40.31
Prepaid expenses	64.95	50.87
Loans and advances to employees	21.91	11.46
Finance lease receivables (refer note 2.26 (iii))	17.12	-
Service tax receivable	149.64	103.83
Other loans and advances	60.88	9.54
	1,511.51	**428.71**
Unsecured, considered doubtful		
Loans and advances to employees	37.26	5.76
Loans and advances to others	1.87	3.53
	39.13	**9.29**
Less: Provision for doubtful advances	(39.13)	(9.29)
	1,511.51	**428.71**

2.19 Other current assets

	As at 30 June	
	2013	2012
Unbilled revenue	493.56	355.20
Unbilled revenue-related parties	396.94	271.09
Deferred cost	114.10	107.37
Deferred cost-related parties	2.50	6.04
Interest receivable	69.22	7.78
Interest receivable-related parties	0.07	0.01
Unrealized gain on derivative financial instruments	-	4.62
	1,076.39	**752.11**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.20 Revenue from operations

	Year ended	
	30 June 2013	30 June 2012
Sale of services	12,221.98	8,680.89
Sale of hardware and software (refer note 2.37)	295.84	226.33
	12,517.82	**8,907.22**

2.21 Other income

	Year ended	
	30 June 2013	30 June 2012
Interest income		
- On fixed deposits	175.34	76.44
- On investment	6.03	6.03
- Others	0.10	5.38
Profit on sale of current investments	15.51	-
Profit on sale of long term investment in joint venture (refer note 2.35)	55.54	-
Dividends from current investments	20.67	27.47
Dividends from subsidiary companies	8.28	15.92
Profit on sale of fixed assets (refer note 1 below)	1.55	2.48
Exchange differences (net)	60.33	156.20
Miscellaneous income	35.49	10.94
	378.84	**300.86**

Note:
1. Net of loss on sale of fixed assets ₹ 0.28 crores (Previous year ₹ 0.36 crores)

2.22 Cost of materials (refer note 2.37)

	Year ended	
	30 June 2013	30 June 2012
Opening stock	88.12	113.97
Purchase of traded goods	251.66	180.51
	339.78	**294.48**
Closing stock	(80.29)	(88.12)
	259.49	**206.36**

2.23 Employee benefit expenses

	Year ended	
	30 June 2013	30 June 2012
Salaries, wages and bonus	4,406.99	3,631.47
Contribution to provident fund and other funds	165.81	125.42
Staff welfare expenses	40.84	30.88
Employee stock compensation expense	14.97	135.29
	4,628.61	**3,923.06**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.24 Finance cost

	Year ended	
	30 June 2013	30 June 2012
Interest		
-on debentures	48.02	73.03
-on loans from banks	3.85	3.13
-on leased assets	1.50	3.62
-others	11.98	7.45
Exchange differences to the extent considered as an adjustment to borrowing costs	-	5.04
Bank charges	11.11	5.00
	76.46	**97.27**

2.25 Other expenses

	Year ended	
	30 June 2013	30 June 2012
Rent	205.13	193.73
Power and fuel	201.30	154.23
Insurance	11.67	6.77
Repairs and maintenance		
- Plant and machinery	63.06	52.40
- Buildings	43.07	28.58
- Others	94.11	82.00
Communication costs	109.36	77.18
Books and periodicals	13.21	12.08
Travel and conveyance	619.35	504.61
Business promotion	12.71	11.20
Legal and professional charges (refer note 2.39)	70.58	59.22
Outsourcing costs	1,022.13	676.47
Software license fee	117.62	125.49
Printing and stationery	8.50	10.19
Rates and taxes	54.85	34.13
Advertising and publicity	18.29	10.62
Provision for doubtful advances / advances written off	29.84	6.53
Donations	0.32	4.04
Recruitment, training and development	55.99	52.25
Provision for doubtful debts/ bad debts written off	75.23	43.05
Miscellaneous expenses	212.67	122.81
	3,038.99	**2,267.58**

2.26 Leases

i) Finance leases : In case of assets taken on lease

The Company has acquired vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2013	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	2.07 (6.00)	0.31 (0.92)	1.76 (5.08)
Later than one year and not later than 5 years	0.34 (2.31)	0.01 (0.32)	0.33 (1.99)
	2.41	**0.32**	**2.09**
	(8.31)	(1.24)	(7.07)

Previous year figures are in brackets.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Operating Leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year is ₹ 204.66 crores (Previous year ₹ 180.32 crores). The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹ 93.92 crores (previous year ₹ 78.17 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended 30 June	
	2013	2012
Not later than one year	189.17	156.87
Later than one year but not later than five years	531.08	439.48
Later than five years	589.14	592.23
	1,309.39	**1,188.58**

iii) Finance leases : In case of assets given on lease

The Company has given networking equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2013	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	21.31 (-)	4.19 (-)	17.12 (-)
Later than one year and not later than 5 years	74.17 (-)	14.65 (-)	59.52 (-)
	95.48	**18.84**	**76.64**
	(-)	**(-)**	**(-)**

Previous year figures are in brackets.

2.27 Segment Reporting

Identification of Segments

The Company's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. The analysis of geographical segments is based on the areas in which major divisions of the Company operate.

(i) Business Segments

The operations of the Company predominately relate to providing software services, infrastructure services including sale of networking equipment and business processing outsourcing services, which are in the nature of customer contact centres and technical help desks. The Chairman of the Company, who is the Chief Strategy Officer, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by types of service provided by the Company and geographic segmentation of customers.

Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

Revenue in relation to service segments is categorized based on items that are individually identifiable to that segment, while expenditure is categorized in relation to the associated turnover of the segment. Assets and liabilities are also identified to service segments.

(ii) Geographic Segments

Segment revenue from customers by geographical areas are stated based on geographical location of the customer and segment assets by geographical location of the assets.

The principal geographical segments are classified as America, Europe, India and others. Europe comprises business operations conducted by the Company in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Company within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in others.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets consist principally of allocable fixed assets, trade receivables, loans and advances and unbilled receivables. Segment assets do not include unallocated corporate assets, treasury assets, net deferred tax assets, advance taxes and Minimum Alternate Tax.

Segment liabilities include trade payable, other liabilities. Segment liabilities do not include share capital, reserves, borrowings, provision for taxes and other unallocated corporate liabilities.

b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, charge taken for stock options issued to employees, corporate expenses and finance cost.

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	Infrastructure services	Total
Segment Revenues	8,269.23	699.62	3,548.97	12,517.82
Segment results	2,790.16	171.45	1,234.03	4,195.64
Unallocated corporate expenses				(46.82)
Interest expense				(76.46)
Other income				197.37
Interest income				181.47
Net profit before taxes				**4,451.20**
Tax expense				840.02
Net profit after taxes				**3,611.18**
Impact of scheme of arrangement relating to earlier period (refer note 2.36 & 2.43)				93.54
Profit for the year				**3,704.72**
Assets				
Segment assets	4,522.09	382.47	2,013.18	6,917.74
Unallocated corporate assets				9,041.59
Total assets				**15,959.33**
Liabilities				
Segment liabilities	2,226.64	112.09	1,100.25	3,438.98
Unallocated corporate liabilities				2,282.61
Total liabilities				**5,721.59**
Capital expenditure				
Capital expenditure	281.02	44.65	98.76	424.43
Unallocated corporate capital expenditure				56.15
Total				**480.58**
Significant non-cash adjustments				
Depreciation	294.32	22.55	119.79	436.66
Unallocated corporate depreciation				5.25
Total				**441.91**
Provision/written off for doubtful debts and advances				105.07

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2012 is as follows:

	Software services	Business process outsourcing services	Infrastructure services	Total
Segment Revenues	6,793.42	575.55	1,538.25	**8,907.22**
Segment results	1,860.23	125.49	363.76	**2,349.48**
Unallocated corporate expenses				(192.33)
Interest expense				(97.27)
Other income				213.02
Interest income				87.84
Net profit before taxes				**2,360.74**
Tax Expense				410.32
Net profit after taxes				**1,950.42**
Assets				
Segment assets	3,740.13	258.96	1,075.91	5,075.00
Unallocated corporate assets				5,802.03
Total assets				**10,877.03**
Liabilities				
Segment liabilities	1,512.37	95.49	510.48	2,118.34
Unallocated corporate liabilities				2,152.11
Total liabilities				**4,270.45**
Capital expenditure				
Capital expenditure	536.03	51.96	87.04	675.03
Unallocated corporate capital expenditure				15.97
Total				**691.00**
Significant non-cash adjustments				
Depreciation	251.29	19.87	63.47	334.63
Unallocated corporate depreciation				18.44
Total				**353.07**
Provision/written off for doubtful debts and advances				49.58

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended 30 June 2013	Year ended 30 June 2012
America	7,834.32	5,205.92
Europe	3,132.66	2,454.46
India	563.56	460.17
Others	987.28	786.67
	12,517.82	**8,907.22**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2013	30 June 2012
America	1,414.08	1,164.49
Europe	861.95	599.34
India	13,352.39	8,892.12
Others	330.91	221.08
	15,959.93	**10,877.03**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Total Cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Additions to segment fixed assets	
	30 June 2013	30 June 2012
America	-	-
Europe	2.44	0.08
India	478.06	689.74
Others	0.08	1.18
	480.58	**691.00**

2.28 Related party transactions

a) Related parties where control exists

Direct Subsidiaries

HCL Comnet Systems & Services Limited
HCL Comnet Limited
HCL Bermuda Limited
HCL Technologies (Shanghai) Limited
HCL Eagle Limited

Step down Subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Singapore Pte. Limited
HCL Sweden AB
HCL Italy SLR
HCL Australia Services Pty. Limited
HCL (New Zealand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL America Inc.
HCL Holdings GmbH
HCL Global Processing Services Limited
HCL BPO Services (NI) Limited
HCL (Malaysia) Sdn. Bhd.
HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)
HCL Poland sp. z o.o
HCL EAS Limited
HCL Insurance BPO Services Limited
HCL Expense Management Services Inc.
Axon Group Limited
Bywater Limited
Axon Solutions Schweiz Gmbh
Axon Solutions Pty. Limited
Axon Solutions Inc.
Axon Acquisition Company, Inc.
Axon Solutions Limited
Axon Solutions Sdn. Bhd.
Axon Solutions Singapore Pte. Limited
Axon Solutions (Shanghai) Co. Limited
HCL Axon (Proprietary) Limited
JSPC- I Solutions Sdn. Bhd.
JSP Consulting Sdn. Bhd.
Axon Solution (Canada) Inc.*
HCL Argentina s.a.
HCL Mexico S. de R.L.
HCL Technologies Romania s.r.l.
HCL Hungary Limited
HCL Latin America Holding LLC
HCL (Brazil) Technologia da informacao Ltda.
HCL Technologies Denmark Apps
HCL Technologies Norway AS
PT. HCL Technologies Indonesia Limited
HCL Technologies Philippines Inc.
HCL Technologies South Africa (Proprietary) Limited
HCL Arabia LLC
HCL Technologies France
Filial Espanola De HCL Technologies S.L. (Spain)
Anzospan Investments Pty Limited
HCL Investments (UK) Limited
HCL America Solutions Inc. (Formerly known as HCL Technologies Product Design Services inc.)

* HCL Technologies Canada Inc. and Axon Solution (Canada) Inc. amalgamated w.e.f. 1 July 2012 and formed a new entity Axon Solutions (Canada) Inc.

Employee benefit trusts

HCL Technologies Limited Employees Trust
Axon Group Plc Employee Benefit Trust No. 3
Axon Group Plc Employee Benefit Trust No. 4
HCL South Africa Share Ownership Trust (incorporated w.e.f 22 February 2013)

b) Related parties with whom transactions have taken place during the year

Direct Subsidiaries

HCL Comnet Systems & Services Limited
HCL Comnet Limited
HCL Bermuda Limited
HCL Technologies (Shanghai) Limited
HCL Eagle Limited

Step down subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Singapore Pte. Limited
HCL Sweden AB
HCL Italy SLR

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

HCL Australia Services Pty. Limited
HCL (New Zealand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL America Inc.
HCL (Malaysia) Sdn. Bhd.
HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)
HCL Poland sp. z o.o
HCL EAS Limited
HCL Insurance BPO Services Limited
Axon Solutions (Canada) Inc.
Axon Solutions Pty. Limited
Axon Solutions Inc.
Axon Solutions Limited
Axon Solutions Sdn. Bhd.
Axon Solutions (Shanghai) Co. Limited
HCL Axon (Proprietary) Limited
HCL Argentina s.a.
HCL Mexico S. de R.L.
HCL Hungary Limited
HCL (Brazil) Technologia da informacao Ltda.
HCL Technologies Denmark Apps
HCL Technologies Norway AS
PT. HCL Technologies Indonesia Limited
HCL Technologies Philippines Inc.
HCL Technologies South Africa (Proprietary) Limited
HCL Arabia LLC
HCL Technologies France
Filial Espanola De HCL Technologies S.L. (Spain)
HCL Holdings Gmbh
HCL Technologies Romania s.r.l.
HCL America Solutions Inc. (Formerly known as HCL Technologies Product Design Services inc.)

Jointly controlled entities

NEC HCL System Technologies Limited, India (up to 26 April, 2013)

Associates

Statestreet HCL Services (India) Private Limited

Significant influence

Vama Sundari Investments (Delhi) Private Limited (Slocum investments (Delhi) Private Limited merged with Vama Sundari Investments (Delhi) Private Limited w.e.f 22 March 2013)
HCL Corporation Private Limited
HCL Infosystems Limited
HCL Holding Private Limited
HCL Insys Pte Ltd., Singapore
Digilife Distribution and Marketing Services Limited

c) **Key Management Personnel**
Shiv Nadar, Chairman and Chief Strategy Officer
Vineet Nayar, Vice-Chairman and Joint Managing Director

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year

	Revenues		Operating & other expenses		Interest expenses		Interest income		Corporate guarantee fees	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries										
-HCL America Inc.	4,751.21	3,349.84	435.83	302.96	0.16	0.17	0.10	0.44	4.86	-
-HCL Great Britain Limited	767.03	646.32	114.55	83.99	-	-	-	-	0.45	-
-HCL Australia Services Pty. Limited	484.38	379.52	4.05	-	-	-	-	-	0.02	-
-HCL Bermuda Limited	-	-	-	-	-	-	-	0.56	-	-
-HCL Comnet Limited	3.79	-	90.27	30.55	7.37	3.56	-	-	-	-
-HCL Sweden AB	161.50	101.03	16.99	1.29	-	-	-	-	-	-
-HCL Netherlands B.V.	154.68	84.99	14.74	3.98	-	-	-	-	0.43	-
-HCL Insurance BPO Services Limited	-	-	-	-	-	-	-	-	14.05	-
-HCL Comnet Systems & Services Limited	-	-	-	-	-	2.86	-	-	-	-
-Others	671.02	389.24	279.85	260.36	-	0.18	-	0.01	0.51	-
Total (A)	**6,993.61**	**4,950.95**	**956.28**	**683.13**	**7.53**	**6.77**	**0.10**	**1.01**	**20.32**	**-**
Jointly controlled entities										
-NEC HCL System Technologies Limited	5.90	4.50	-	-	-	-	-	-	-	-
-Statestreet HCL Services (India) Private Limited	2.95	2.44	-	-	-	-	-	-	-	-
Total (B)	**8.85**	**6.94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	8.60	6.14	81.87	86.95	-	-	-	-	-	-
-Others	-	-	0.27	0.46	-	-	-	-	-	-
Total (C)	**8.60**	**6.14**	**82.14**	**87.41**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B+C)	**7,011.06**	**4,964.03**	**1,038.42**	**770.54**	**7.53**	**6.77**	**0.10**	**1.01**	**20.32**	**-**

d) Transactions with related parties during the year (continued)

	Dividend income		Purchase of capital equipments		Investments		Dividend Paid		Interest on Debentures	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries										
-HCL Comnet Systems & Services Limited	-	-	-	-	(12.87)	0.38	-	-	-	-
-HCL Comnet Limited	-	-	8.96	2.34	-	-	-	-	-	-
-HCL Bermuda Limited	-	-	-	-	464.60	693.07	-	-	-	-
-HCL Singapore Pte. Limited	8.28	15.75	-	0.81	-	-	-	-	-	-
-DSI Financial Solutions Pte Limited, Singapore	-	-	-	-	-	(0.23)	-	-	-	-
-HCL Eagle Limited	-	-	-	-	-	0.09	-	-	-	-
-Others	-	0.17	-	-	-	-		-	-	-
Total (A)	**8.28**	**15.92**	**8.96**	**3.15**	**453.53**	**693.31**	**-**	**-**	**-**	**-**
Jointly controlled entities										
-NEC HCL System Technologies Limited	-	-	-	-	(10.78)	-	-	-	-	-
	-	**-**	**-**	**-**	**(10.78)**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	-	-	19.70	78.45	-	-	-	-	-	-
-Vama Sundari investments (Delhi) Private Limited	-	-	-	-	-	-	311.97	322.86	-	-
-HCL Holding Private Limited.	-	-	-	-	-	-	119.55	120.12	-	-
- HCL Corporation Private Limited	-	-	-	-	-	-	-	-	0.48	3.28
- Others	-	-	1.99	11.38	-	-	-	-	-	-
Total (B)	**-**	**-**	**21.69**	**89.83**	**-**	**-**	**431.52**	**442.98**	**0.48**	**3.28**
Total (A+B)	**8.28**	**15.92**	**30.65**	**92.98**	**442.75**	**693.31**	**431.52**	**422.98**	**0.48**	**3.28**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year (continued)

	Repayment of loans given to subsidiaries		Loans given to subsidiaries		Loans taken from subsidiaries		Payment for use of facilities		Receipt for use of facilities	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries										
-HCL Comnet Limited	-	-	-	-	-	82.00	-	-	0.33	0.33
-HCL Comnet Systems & Services Limited	-	-	-	-	-	89.00	-	-	-	2.58
-HCL Global Processing Limited	-	(0.15)	-	0.15	-	-	-	-	-	-
-HCL Bermuda Limited	-	(38.46)	-	-	-	-	-	-	-	-
-HCL Eagle Limited	-	-	-	-	-	-	-	-	2.18	-
Total (A)	**-**	**(38.61)**	**-**	**0.15**	**-**	**171.00**	**-**	**-**	**2.51**	**2.91**
Jointly controlled entities										
Statestreet HCL Services (India) Private Limited	-	-	0.01	-	-	-	-	-	-	-
	-	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	-	-	-	-	-	-	1.55	1.50	-	-
-others	-	-	-	-	-	-	0.80	0.59	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**2.35**	**2.09**	**-**	**-**
Total (A+B)	**-**	**(38.61)**	**0.01**	**0.15**	**-**	**171.00**	**2.35**	**2.09**	**2.51**	**2.91**

Transactions with Key Managerial personnel during the year

	Year ended 30 June	
	2013	2012
Chairman and Chief Strategy Officer		
i) Remuneration	11.90	5.01
Vice Chairman and Joint Managing Director		
i) Remuneration	8.29	8.43
ii) Dividend paid (includes shares held through family trust)	0.20	2.10
iii) Stock options		
- Exercised - No's (options)	2,50,000	2,50,000
- Exercise price - ₹	8	8

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties

	Trade receivables		Trade payables		Income received in advance	
	As at 30 June		As at 30 June		As at 30 June	
	2013	2012	2013	2012	2013	2012
Subsidiaries						
-HCL America Inc.	984.78	646.48	131.36	117.66	232.55	135.88
-HCL Great Britain Limited	231.74	92.82	22.86	9.51	151.54	58.02
-HCL Singapore Pte. Limited	22.36	11.75	15.83	3.77	8.73	-
-HCL Australia Services Pty. Limited	65.83	134.01	0.74	-	8.79	-
-HCL Comnet Systems & Services Limited	-	0.28	-	87.39	-	-
-HCL Comnet Systems & Services Limited - Domestic Business	0.89	-	-	-	-	-
-HCL Sweden AB	100.26	41.53	1.70	0.34	5.57	2.58
-Others	181.09	133.05	47.16	64.96	27.89	30.56
Total (A)	**1,586.95**	**1,059.92**	**219.65**	**283.63**	**435.07**	**227.04**
Jointly controlled entities						
-NEC HCL System Technologies Limited	-	2.56	-	-	-	0.47
-Statestreet Services (India) Pvt.Ltd.	0.23	4.64	0.01	-	-	-
Total (B)	**0.23**	**7.20**	**0.01**	**-**	**-**	**0.47**
Significant influence						
-HCL Infosystems Limited	5.95	1.66	0.88	0.37	-	-
-Others	-	-	0.05	-	-	-
Total (C)	**5.95**	**1.66**	**0.93**	**0.37**	**435.07**	**-**
Total (A+B+C)	**1,593.13**	**1,068.78**	**220.59**	**284.00**	**435.07**	**227.51**

e) Outstanding balances with related parties- Continued

	Capital accounts payables		Interest accrued but not due on borrowings		Advance received from customers		Loans outstanding		Guarantee outstanding		Supplier credit	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries												
-HCL America Inc.	-	-	-	0.10	-	-	-	-	988.27	1,103.86	-	-
- HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	-	-	-	-	-	-	-	-	2.02	2.02	-	-
- HCL Comnet Limited	-	-	0.55	-	-	-	82.00	82.00	-	-	-	-
- HCL Comnet Systems & Services Limited	-	-	-	0.59	-	-	-	89.00	-	-	-	-
- HCL Great Britain Limited	-	-	-	-	-	-	-	-	52.02	46.94	-	-
-HCL Bermuda Limited	-	-	-	-	-	-	-	-	90.50	86.89	-	-
-HCL EAS Limited	-	-	-	-	-	-	-	-	-	643.83	-	-
-HCL Japan Limited	-	-	-	-	-	-	-	-	17.82	172.48	-	-
-HCL Insurance BPO services Limited	-	-	-	-	-	-	-	-	380.12	677.76	-	-
-HCL BPO Services (NI) Limited	-	-	-	-	-	-	-	-	-	47.52	-	-
-HCL Singapore Pte Limited.	-	-	-	-	-	-	-	-	175.79	164.69	-	-
-HCL Netherlands B.V	-	-	-	-	-	-	-	-	139.74	126.10	-	-
-HCL Eagle Limited	-	-	-	-	7.36	-	-	-	-	-	-	-
-Others	-	-	-	0.54	-	-	-	-	5.93	15.47	-	-
Total (A)	**-**	**-**	**0.55**	**1.23**	**7.36**	**-**	**82.00**	**171.00**	**1852.21**	**3,087.56**	**-**	**-**
Significant influence												
-HCL Infosystems Limited	0.72	1.92	-	-	-	2.98	-	-	-	-	52.38	-
-Others	0.02	0.65	-	-	-	-	-	-	-	-	-	-
Total (B)	**0.74**	**2.57**	**-**	**-**	**-**	**2.98**	**-**	**-**	**-**	**-**	**52.38**	**-**
Total (A+B)	**0.74**	**2.57**	**0.55**	**1.23**	**7.36**	**2.98**	**82.00**	**171.00**	**1,852.21**	**3,087.56**	**52.38**	**-**

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties- Continued

	Liabilities for expenses		Capital advances		Long term income received in advance	
	As at 30 June		As at 30 June		As at 30 June	
	2013	2012	2013	2012	2013	2012
Subsidiaries						
-HCL America Inc.	105.43	52.34	-	-	26.23	1.07
-HCL Great Britain Limited	18.26	20.20	-	-	8.22	-
-HCL Comnet Limited	46.52	1.53	-	-	-	-
-Others	34.11	16.62	-	-	0.69	-
Total (A)	**204.32**	**90.69**	**-**	**-**	**35.14**	**1.07**
Significant influence						
-HCL Infosystems Limited	7.28	12.73	0.43	0.44	-	-
-Others	-	0.19	0.65	0.14	-	-
Total (B)	**7.28**	**12.92**	**1.08**	**0.58**	**-**	**-**
Total (A+B)	**211.60**	**103.61**	**1.08**	**0.58**	**35.14**	**1.07**

e) Outstanding balances with related parties- Continued

	Loan and advances		Unbilled revenue		Deferred cost		Interest receivables	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2013	2012	2013	2012	2013	2012	2013	2012
Subsidiaries								
-HCL America Inc.	11.82	24.49	204.25	150.51	-	-	0.07	0.01
- HCL Great Britain Limited	8.60	4.03	93.89	64.13	-	4.02	-	-
-HCL Comnet Systems & Services Limited	-	48.94	-	-	-	2.02	-	-
-HCL Comnet Limited	425.73	44.21	4.12	-	2.50	-	-	-
- HCL Bermuda Limited	-	-	-	-	-	-	-	-
-HCL Australia Services Pty. Limited	1.03	0.54	23.60	17.20	-	-	-	-
-Others	6.75	28.88	51.66	24.84	-	-	-	-
Total (A)	**453.93**	**151.09**	**377.52**	**256.68**	**2.50**	**6.04**	**0.07**	**0.01**
Jointly controlled entities								
-Statestreet Services (India) Pvt.Ltd.	0.07	-	2.95	-	-	-	-	-
Total (B)	**0.07**	**-**	**2.95**	**-**	**-**	**-**	**-**	**-**
Significant influence								
-HCL Infosystems Limited	15.56	2.16	16.47	14.41	-	-	-	-
-Others	-	0.06	-	-	-	-	-	-
Total (C)	**15.56**	**2.22**	**16.47**	**14.41**	**-**	**-**	**-**	**-**
Total (A+B+C)	**469.56**	**153.31**	**396.94**	**271.09**	**2.50**	**6.04**	**0.07**	**0.01**

2.29 Research and development expenditure

	Year ended 30 June 2013	Year ended 30 June 2012
Revenue	157.92	167.81
Capital	-	-
	157.92	**167.81**

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.30 Commitments and Contingent liabilities

a)

	As at 30 June 2013	As at 30 June 2012
i) Capital and other commitments		
Capital commitments		
Estimated amount of unexecuted capital		
contracts (net of advances)	1,139.47	528.43
ii) Contingent Liabilities		
Others	5.29	4.29
Total	**1,144.76**	**532.72**

The amounts shown in the items above represent best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

b) Guarantees have been given by the Company on behalf of various subsidiaries against credit facilities, financial assistance and office premises taken on lease amounting to ₹ 1,852.21 crores (Previous year ₹ 3,087.56 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

c) Bank guarantees of ₹ 45.94 crores (Previous year ₹ 14.25 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the Company fulfilling its ordinary commercial obligations.

d) During the year ended 30 June 2013, the Company has negotiated extended interest bearing credit terms with certain vendors and issued ₹ 430.33 crores of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.2% to 10.0%.

The Company also has letters of credit amounting to ₹ 0.29 crores outstanding for year ended 30 June 2013 in other normal course of business.

e) The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associated enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions are accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.31 Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provide principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. A majority of the forward foreign exchange/option contracts mature within one to twelve months and the forecast transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:-

Sell Covers	As at 30 June 2013	As at 30 June 2012
Foreign Currency	**₹ Equivalent**	
USD/INR	8,319.67	4,772.58
GBP/INR	452.50	60.86
Euro/INR	1,129.71	56.07
Euro/USD	-	35.03
AUD/INR	16.44	-
Total	**9,918.32**	**4,924.54**

Options	As at 30 June 2013	As at 30 June 2012
	₹ Equivalent	
Range Forward		
USD/INR	545.50	1,529.20
GBP/INR	-	99.11
Euro/INR	-	47.66
Seagull		
USD/INR	-	395.03
Euro/USD	-	43.78
Euro/INR	-	116.29
Total	**545.50**	**2,231.07**

The following table summarizes activity in the Hedging Reserve related to all derivatives classified as cash flow hedges during the years ended 30 June 2013 and 2012.

Particulars	Year ended 30 June 2013	Year ended 30 June 2012
(Loss)/Gain as at the beginning of the year	(479.51)	23.51
Unrealized loss on cash flow hedging derivatives during the year	(218.99)	(646.88)
Net losses reclassified into net income on occurrence of hedged transactions	67.23	143.86
Net losses reclassified into net income as hedged transactions are not likely to occur	-	-
Loss as at the end of the year (refer note 1 and 2 below)	**(631.27)**	**(479.51)**

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 1,330.04 crores (Previous year ₹ 1,758.84 crores).

Notes:

1. Balance as at year end is inclusive of deferred tax assets of ₹ 142.75 crores (Previous year deferred tax assets of ₹ 93.94 crores).
2. At 30 June 2013, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹ 386.53 crores (Previous year loss of ₹ 211.86 crores).

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.32. Earnings per equity share (EPS)

	Year ended 30 June 2013	Year ended 30 June 2012
Net profit as per statement of profit and loss for computation of EPS	3,704.72	1,950.42
Less: Impact of scheme of arrangement relating to earlier period	93.54	-
Profit for the year before impact of scheme of arrangement relating to earlier period	3,611.18	1,950.42
Weighted average number of shares outstanding in computation of basic EPS	694,783,323	691,023,929
Dilutive effect of stock options outstanding	11,501,304	12,576,329
Weighted average number of equity shares and equity equivalent shares outstanding in computing diluted EPS	706,284,627	703,600,258
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹) computed on the basis of profit for the year		
- Basic	53.32	28.23
- Diluted	52.45	27.72
Earnings per equity share (in ₹) computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period		
- Basic	51.98	28.23
- Diluted	51.13	27.72

2.33. Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the Year ended 30 June 2013		For the Year ended 30 June 2012	
	Principal	Interest	Principal	Interest
Amount due to Vendor	0.04	-	0.06	0.01
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	0.01
Total Interest payable -				
Accrued and unpaid during the year	-	-	-	0.01

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.34. Employee Benefit Plans

The Company has calculated the various benefits provided to employees as under:

A. Defined Contribution Plans and State Plans

Superannuation Fund
Employer's contribution to Employees State Insurance
Employer's contribution to Employee Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended 30 June 2013	Year ended 30 June 2012
Superannuation Fund	2.20	8.36
Employer's contribution to Employees State Insurance	2.87	2.97
Employer's contribution to Employee's Pension Scheme	40.29	35.95
Total	**45.36**	**47.28**

B. Defined Benefit Plans

a) Gratuity
b) Employer's Contribution to Provident Fund

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan as required under Accounting Standard 15 (Revised):

Statement of profit and loss

Net employee benefit expense (recognized in employee cost)

	Year ended 30 June 2013	Year ended 30 June 2012
Current service cost	37.03	25.98
Interest cost on benefit obligation	14.38	9.42
Expected return on plan assets	-	-
Net actuarial loss recognized in the year	5.57	17.02
Past service cost	-	-
Net benefit expense	**56.98**	**52.42**

Balance Sheet

Details of Provision for Gratuity

	Year ended 30 June 2013	Year ended 30 June 2012
Defined benefit obligations	188.38	140.65
Fair value of plan assets	-	-
	188.38	140.65
Less: Unrecognized past service cost	-	-
Plan liability	**188.38**	**140.65**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June 2013	Year ended 30 June 2012
Opening defined benefit obligations *	149.47	100.58
Current service cost	37.03	25.98
Interest cost	14.38	9.42
Actuarial loss on obligation	5.57	17.02
Benefits paid	(18.07)	(12.35)
Closing defined benefit obligations	**188.38**	**140.65**

*Note: - Opening defined benefit obligations include ₹ 8.82 crores, transferred from the transferor company pursuant to the implementation of the scheme of arrangement referred to in note 2.36.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended 30 June 2013	Year ended 30 June 2012
Discount rate	7.45%	8.10%
Estimated Rate of salary increases	7%	7%
Employee Turnover	17%	18%
Expected rate of return on assets	N.A	N.A

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table set out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended 30 June				
	2013	2012	2011	2010	2009
Defined benefit obligations	188.38	140.65	100.58	85.00	71.19
Plan assets	-	-	-	-	-
Experience adjustment on plan liabilities	(1.19)	7.69	6.75	2.21	7.58
Experience adjustment on plan assets	-	-	-	-	-

Employer's Contribution to Provident Fund

The guidance note on implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the current year. The actuary has accordingly provided a valuation and based on the assumption mentioned below there is no shortfall as at 30 June 2013.

The details of the fund and plan asset position are given below:-

	30 June 2013	30 June 2012
Plan assets at the year end	1,197.65	942.78
Present value of benefit obligation at year end	1,197.65	942.78
Asset recognized in balance sheet	**-**	**-**

Assumptions used in determining in the present value obligation of the interest rate guarantee under the Deterministic Approach.

	30 June 2013	30 June 2012
Government of India(GOI) bond yield	7.45%	8.10%
Remaining term of maturity	9.29 Years	8.03 Years
Expected guaranteed interest rate	8.50%	9.40%

During the year ended 30 June 2013, the Company has contributed ₹ 86.01 crores (Previous year ₹ 70.88 crores) towards employer's contribution to the Provident Fund.

2.35 Joint Venture

The Company has an interest in the following jointly controlled entities:

NEC HCL System Technologies Ltd.

In June, 2005 ,the Company entered into a Joint Venture Agreement with NEC Corporation ,Japan ("NEC") and NEC System Technologies limited ("NECST"), Japan, a subsidiary of NEC, whereby the Company holds a 49% stake in established joint venture entity, NEC HCL System Technologies Limited("NECH") and NEC and NECST holds a 51% stake.

In March, 2013 Company entered into an agreement with NEC for the sale of its 49% stake in equity affiliate NECH at gross consideration of ₹ 66.32 crores (USD 12 million).The sale was completed during the year on 26 April, 2013. The Company has recorded a gain of ₹ 55.54 crores in the statement of profit and loss during the year.

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Company in the above jointly controlled entity are given hereunder:

	Year ended 30 June 2013	Year ended 30 June 2012
Revenue from operations	57.81	41.01
Other income	2.12	0.96
Total revenue	**59.93**	**41.97**
Employee benefit expenses	26.54	16.73
Operating and other expenses	13.33	12.60
Depreciation and Amortization expense	1.36	0.96
Total	**41.23**	**30.29**
Profit/(Loss) Before Tax	**18.70**	**11.68**
Provision for tax	6.29	3.95
Net profit/(Loss) after tax	**12.41**	**7.73**

	As at 30 June 2013	As at 30 June 2012
Assets		
Tangible assets		
Computers	-	1.57
Furniture and fixture	-	0.46
Total tangible assets (A)	**-**	**2.03**
Intangible assets		
Software	-	0.29
Total intangible assets (B)	**-**	**0.29**
Total fixed assets (A+B)	**-**	**2.32**
Trade receivables	-	11.79
Cash and bank balances	-	12.28
Other current assets	-	5.88
Liabilities		
Liabilities and provisions	-	5.03

2.36 In accordance with the terms of a Scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, the IT enabled services division of HCL Comnet Systems & Services Limited, a subsidiary, has been demerged and transferred to the Company on going concern basis with effect from 1 April 2012, the appointed date.

The consideration for transfer as per the above mentioned scheme has been settled by issue of 10,125 equity shares of ₹ 2 each in the ratio of 227 equity shares of the Company of ₹ 2 each for every 100 equity shares of ₹ 10/- each held by outside shareholders of HCL Comnet Systems & Services Limited.

In view of the above, the net profit of the transferred division for the period 1 April 2012 to 30 June 2012 have been reflected in the statement of profit of loss of the Company after profit after tax and a sum of ₹ 119.54 crores being the excess of net assets of the transferred division over the consideration paid, has been included in the balance sheet of the Company as on 30 June 2013 as Capital Reserve and the results of the operation of the transferred division for the current year have been included in the statement of profit and loss for the year ended on that date.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Assets and Liabilities of transferred division are as under:

	Amount
Assets	
Fixed assets (Includes capital work in progress ₹ 3.82 crores)	47.75
Deferred tax assets	20.13
Non-current investments	279.74
Long term loans and advances	4.71
Other non-current assets	2.80
Trade receivables	158.15
Cash and bank balances	21.60
Short - term loans and advances	585.63
Other current assets	30.34
Total	**1,150.85**
Liabilities	
Long term borrowings	0.91
Long term provisions	9.58
Trade payables	60.10
Other current liabilities	87.58
Short term provisions	27.98
Total	**186.15**
Net assets acquired under the scheme of arrangement	964.70
Less: Credit balance of profit and loss account of transferred division	831.81
Less: Aggregate value of equity shares issued by the Company under the scheme of arrangement	0.48
Excess of the Net assets acquired	**132.41**
Diminution in the value of investment	12.87
Remaining excess of the net assets transferred to Capital Reserve as on 1 April 2012	**119.54**

Result of operations of transferred division for the period 1 April, 2012 to 30 June 2012

	Amount
Income	
Revenue from operations	249.90
Other income	12.88
Total revenue	**262.78**
Expenses	
Employee benefit expenses	61.15
Finance costs	0.18
Depreciation and amortization expense	7.14
Other expenses	58.79
Total expenses	**127.26**
Profit before tax	**135.52**
Provision for tax	41.98
Profit after tax	**93.54**

Further, net cash flows for the period 1 April,2012 to 30 June,2012 pertaining to transferred division on account of operating, investing and financing activities aggregating ₹ 128.54 crores, ₹ (119.04) crores and ₹ 0.23 crores respectively have been included in the current year's statement of cash flows as separate line item under the respective heads.

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.37 Particulars of purchases, sales and closing stock of trading goods:

ITEMS	Opening Stock Value (₹)	Purchases Value (₹)	Sales Value (₹)	Closing Stock Value (₹)
Software Licenses	15.78	58.32	58.13	21.98
	(27.77)	(12.38)	(24.65)	(15.78)
Servers	5.34	37.04	43.39	3.73
	(4.94)	(31.14)	(30.84)	(5.34)
Storage devices	1.89	27.78	51.23	0.70
	(1.49)	(1.30)	(6.28)	(1.89)
Routers	8.21	1.21	8.93	1.60
	(40.87)	(5.44)	(38.53)	(8.21)
Switches	2.39	2.58	3.11	2.59
	(9.25)	(1.96)	(12.58)	(2.39)
Others*	54.51	124.73	131.05	49.69
	(29.65)	(128.29)	(113.45)	(54.51)
Total	**88.12**	**251.66**	**295.84**	**80.29**
	(113.97)	(180.51)	(226.33)	(88.12)

* Does not include any item which in value individually accounts for 10% or more of the total value of sales/ stock

Notes: Previous year figures are given in brackets.

2.38 CIF value of imports

	Year ended 30 June 2013	Year ended 30 June 2012
Capital goods	133.95	200.28
	133.95	**200.28**

2.39 Auditors' remuneration *

	Year ended 30 June 2013	Year ended 30 June 2012
A. As Auditors		
Statutory audit	2.20	1.83
Tax audit fees	0.25	0.19
Out of pocket expenses	0.20	-
B. For Certification	0.39	0.35
	3.04	**2.37**

* excluding service tax

Notes to financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

2.40 Expenditure in foreign currency (on accrual basis)

	Year ended 30 June 2013	Year ended 30 June 2012
Outsourcing costs	846.67	615.97
Interest	-	2.38
Travel	123.00	140.79
Rates and taxes	9.74	17.66
Software license fee	16.50	11.68
Communication costs	13.74	6.27
Professional fees	9.10	9.37
Personnel expenses	-	10.63
Cost of goods sold	37.06	5.06
Provision for doubtful debts	36.65	-
Recruitment training and development	2.95	4.79
Repair and maintenance	23.25	6.11
Others	12.98	53.33
	1,131.64	**884.04**

2.41 Earnings in foreign currency(on accrual basis)

	Year ended 30 June 2013	Year ended 30 June 2012
Income from Services	11,381.19	8,384.17
	11,381.19	**8,384.17**

2.42 Dividend remitted in foreign currency

	Year ended 30 June 2013	Year ended 30 June 2012
Final dividend		
Number of non-resident shareholders	64	73
Number of shares held	120,071,159	120,790,275
Amount remitted in ₹ (net of tax)	48.03	24.16
Amount remitted FCY	$8,876,489	$4,910,174
Year to which it relates	2011-12	2010-11
1st Interim dividend		
Number of non-resident shareholders	64	73
Number of shares held	120,071,159	120,790,275
Amount remitted in ₹ (net of tax)	24.01	48.32
Amount remitted FCY	$4,438,245	$9,820,348
Year to which it relates	2012-13	2011-12
2nd Interim dividend		
Number of non-resident shareholders	60	70
Number of shares held	120,058,984	120,779,637
Amount remitted in ₹ (net of tax)	24.01	24.16
Amount remitted FCY	$4,454,879	$4,860,348
Year to which it relates	2012-13	2011-12
3rd Interim dividend		
Number of non-resident shareholders	59	68
Number of shares held	120,033,843	120,124,750
Amount remitted in ₹ (net of tax)	24.01	24.02
Amount remitted FCY	$4,422,765	$4,569,218
Year to which it relates	2012-13	2011-12

Notes to financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

2.43 The current year's figures in statement of profit and loss includes results of operations of transferred division for the period from 1 July, 2012 to 30 June, 2013 and the net profit of the transferred division for the period 1 April 2012 to 30 June 2012 have been reflected in the statement of profit of loss of the Company after profit after tax (refer note 2.36 above). Therefore, corresponding figures of previous year are not comparable with those of current year.

2.44 Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July, 2013

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July, 2013

Consolidated Statements

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of HCL Technologies Limited

We have audited the accompanying Consolidated Financial Statements of HCL Technologies Limited and its subsidiaries (together referred to as ("the Group") and joint ventures and associates, which comprise the Consolidated Balance Sheet as at June 30, 2013, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at June 30, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership No.: 17401

Place of Signature : Gurgaon, India
Date : July 31, 2013

Consolidated Balance Sheet as at 30 June 2013

(All amounts in crores of ₹)

	Note No.	As at 30 June 2013	As at 30 June 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3.1	139.37	138.66
(b) Reserves and surplus	3.2	13,019.61	9,696.43
		13,158.98	**9,835.09**
(2) Share application money pending allotment	3.3	5.01	2.77
(3) Minority interest		44.68	1.07
(4) Non - current liabilities			
(a) Long-term borrowings	3.4	796.73	1,077.20
(b) Other long-term liabilities	3.5	720.21	661.64
(c) Long term provisions	3.6	201.48	206.82
		1,718.42	**1,945.66**
(5) Current liabilities			
(a) Short term borrowings	3.7	128.52	448.99
(b) Trade payables	3.8	401.38	469.44
(c) Other current liabilities	3.8	5,220.73	4,168.18
(d) Short term provisions	3.9	1,721.60	1,466.59
		7,472.23	**6,553.20**
TOTAL		**22,399.32**	**18,337.79**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	3.10	2,192.54	1,918.03
(ii) Intangible assets	3.10	4,560.00	4,535.07
(iii) Capital work in progress		493.84	578.47
		7,246.38	**7,031.57**
(b) Non-current investments	3.11	85.87	127.00
(c) Deferred tax assets (net)	3.12	741.88	661.57
(d) Long term loans and advances	3.13	1,273.96	996.24
(e) Other non-current assets	3.14	417.71	426.09
		9,765.80	**9,242.47**
(2) Current Assets			
(a) Current investments	3.11	627.17	546.20
(b) Inventories	3.15	231.50	226.16
(c) Trade receivables	3.16	4,497.15	3,875.66
(d) Cash and bank balances	3.17	3,577.11	1,947.69
(e) Short - term loans and advances	3.18	1,571.81	674.69
(f) Other current assets	3.19	2,128.78	1,824.92
		12,633.52	**9,095.32**
TOTAL		**22,399.32**	**18,337.79**
Summary of significant accounting policies	1 to 3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HCL Technologies Limited

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

per Tridibes Basu
Partner
Membership Number: 17401

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Gurgaon, India
31 July 2013

Noida (UP), India
31 July 2013

Consolidated Statement of Profit and Loss for the year ended 30 June 2013

(All amounts in crores of ₹)

	Note No.	Year ended 30 June 2013	Year ended 30 June 2012
Income			
Revenue from operations	3.20	25,581.06	20,830.55
Other income	3.21	351.11	206.50
Total revenue		**25,932.17**	**21,037.05**
Expenses			
Cost of materials	3.22	959.34	611.99
Employee benefit expenses	3.23	12,574.17	11,104.55
Finance costs	3.24	105.62	142.63
Depreciation and amortization expense	3.10	636.76	549.24
Other expenses	3.25	6,386.39	5,418.84
Total expenses		**20,662.28**	**17,827.25**
Profit before tax		**5,269.89**	**3,209.80**
Tax expenses			
Current tax		(1,258.89)	(999.90)
Less: MAT Credit Entitlement		84.78	65.48
Add: MAT Credit Entitlement written off		(70.35)	-
Net current tax		(1,244.46)	(934.42)
Deferred tax credit		19.15	151.70
Profit after tax and before minority interest / share of loss of associates		**4,044.58**	**2,427.08**
Share of loss of associates		(0.21)	(4.31)
Share of profit of minority interest		(4.28)	(0.07)
Profit for the year		**4,040.09**	**2,422.70**
Earnings per equity share of ₹ 2 each	3.27		
Basic (in ₹)		58.15	35.06
Diluted (in ₹)		57.20	34.43
Summary of significant accounting policies	1 to 3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For HCL Technologies Limited

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2013

Shiv Nadar
Chairman and Chief Strategy Officer

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Director

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President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2013

Consolidated Cash flow statement

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
A. Cash Flows from operating activities		
Profit before tax	5,269.89	3,209.80
Adjustment for:		
Depreciation and amortization	636.76	549.24
Interest income	(213.32)	(138.46)
Dividend income	(23.95)	(34.65)
Profit on sale of investments (net)	(16.57)	-
Profit on sale of long term investment in Joint Venture	(26.68)	-
Loss on sale of business	13.19	-
Interest expenses	70.70	112.42
Profit on sale of fixed assets (net)	(0.07)	(1.72)
Employee stock compensation expense	14.97	135.29
Other non cash charges	180.38	318.47
Operating profit before working capital changes	**5,905.30**	**4,150.39**
Movement in Working Capital		
Increase in trade receivables	(638.90)	(946.09)
(Increase) / decrease in inventories	2.16	(51.27)
(Increase) / decrease in loan and advances	(367.33)	(327.38)
(Increase) / decrease in other assets	(285.02)	(554.83)
Increase / (decrease) in other liabilities and provisions	1,139.62	1,048.57
Cash generated from operations	**5,755.83**	**3,319.39**
Direct taxes paid (net of refunds)	(1,264.18)	(766.04)
Net cash flow from operating activities (A)	**4,491.65**	**2,553.35**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,364.85	1,144.66
Investments in bank deposits	(3,849.07)	(1,326.67)
Purchase of investments in mutual funds	(4,771.15)	(4,884.06)
Proceeds from sale of investments in mutual funds	4,751.09	4,980.42
Investments in associates	-	(40.73)
Deposits placed with body corporate	(692.00)	(50.00)
Proceeds from maturity of deposits placed with body corporate	50.00	-
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(618.69)	(909.41)
Proceeds from sale of fixed assets	1.63	3.61
Payment for deferred consideration on business acquistion	-	(100.64)
Proceeds from sale of long term investment in Joint Venture	66.32	-
Interest received	175.31	163.47
Dividend received	23.95	34.65
Proceeds from sale of business (refer note 2(a))	196.79	-
Taxes paid	(52.91)	(41.57)
Net cash flow used in investing activities (B)	**(2,353.88)**	**(1,026.27)**
C. Cash flows from financing activities		
Proceeds from issue of share capital	33.60	39.13
Repayment of debentures	(330.00)	(170.00)
Proceeds from long term borrowings	65.06	23.68
Repayment of long term borrowings	(619.13)	(698.77)
Proceeds from short term borrowings	48.19	787.05
Repayment of short term borrowings	(391.99)	(294.86)

Consolidated Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2013	Year ended 30 June 2012
Interest paid	(74.75)	(114.15)
Dividend paid on equity shares	(694.55)	(691.02)
Tax on equity dividend paid	(113.75)	(112.10)
Principal payment on finance lease obligations	(8.83)	(7.80)
Net cash flows used in financing activities (C)	**(2,086.15)**	**(1,238.84)**
Net increase in cash and cash equivalents (A+B+C)	51.62	288.24
Effect of exchange differences on cash and cash equivalents held in foreign currency	(7.59)	(135.27)
Cash and cash equivalents at the beginning of the year	676.67	523.70
Cash and cash equivalents at the end of the year as per note 3.17 (a) (refer note 1 below)	**720.70**	**676.67**

Notes:

1. Cash and cash equivalents include the following:

Investor Education and Protection Fund-Unclaimed dividend*	2.36	2.37

* The Group can utilize these balances only towards the settlement of the respective above mentioned liabilities.

2. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date

For **HCL Technologies Limited**

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2013

Manish Anand
Company Secretary

Noida (UP), India
31 July 2013

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Company Overview

HCL Technologies Limited (hereinafter referred to as "the Company" or "the parent company") and its consolidated subsidiaries (hereinafter collectively referred to as "the Group"), joint ventures and associates are primarily engaged in providing a range of software services, business process outsourcing and infrastructure product and management services. The Company was incorporated in India in November 1991. The Group leverages an extensive offshore infrastructure and its global network of offices in various countries and professionals to deliver solutions across select verticals including Financial Services, Manufacturing (Automotive, Aerospace, Hi-tech and Semi Conductor) Telecom, Retail and Consumer packaged goods services, Media, Publishing and Entertainment, Public Services, Energy and Utility, Healthcare, Travel, Transport and Logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These consolidated financial statements have been prepared to comply in all material aspect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the other relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Principles of consolidation

These consolidated financial statements relate to HCL Technologies Limited, the parent company, its subsidiaries, joint ventures and associates which are as follows:

Subsidiaries of HCL Technologies Limited are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	HCL Comnet Systems & Services Limited	India	100%	99.97%
2	HCL Comnet Limited	India	100%	99.97%
3	HCL Bermuda Limited	Bermuda	100%	100%
4	HCL Technologies (Shanghai) Limited	China	100%	100%
5	HCL Eagle Limited	India	92%	92%

Step down subsidiaries of direct subsidiaries of HCL Technologies as mentioned above are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	HCL Great Britain Limited	UK	100%	100%
2	HCL (Netherlands) BV	The Netherlands	100%	100%
3	HCL Belgium NV	Belgium	100%	100%
4	HCL Sweden AB	Sweden	100%	100%
5	HCL GmbH	Germany	100%	100%
6	HCL Singapore Pte. Limited	Singapore	100%	100%
7	HCL Italy SLR	Italy	100%	100%
8	HCL Australia Services Pty. Limited	Australia	100%	100%
9	HCL (New Zealand) Limited	New Zealand	100%	100%
10	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
11	HCL Japan Limited	Japan	100%	100%
12	HCL America Inc.	USA	100%	100%
13	HCL Holdings GmbH	Austria	100%	100%
14	HCL Global Processing Services Limited	India	100%	100%
15	HCL BPO Services (NI) Limited	UK	100%	100%

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
16	HCL (Malaysia) Sdn. Bhd.	Malaysia	100%	100%
17	HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	India	100%	100%
18	HCL Poland sp. z o.o	Poland	100%	100%
19	HCL EAS Limited	UK	100%	100%
20	HCL Insurance BPO Services Limited	UK	100%	100%
21	HCL Expense Management Services Inc.	USA	100%	100%
22	Axon Group Limited	UK	100%	100%
23	Axon Solutions (Canada) Inc.#	Canada	100%	100%
24	Bywater Limited	UK	100%	100%
25	Axon Solutions Schweiz Gmbh	Switzerland	100%	100%
26	Axon Solutions Pty. Limited	Australia	100%	100%
27	Axon Solutions Inc.	USA	100%	100%
28	Axon Acquisition Company, Inc.	USA	100%	100%
29	Axon Solutions Limited	UK	100%	100%
30	Axon Solutions Sdn. Bhd.	Malaysia	100%	100%
31	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%
32	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
33	HCL Axon (Proprietary) Limited	South Africa	100%	100%
34	JSPC- I Solutions Sdn. Bhd.	Malaysia	100%	100%
35	JSP Consulting Sdn. Bhd.	Malaysia	100%	100%
36	HCL Argentina s.a.	Argentina	100%	100%
37	HCL Mexico S. de R.L.	Mexico	100%	100%
38	HCL Technologies Romania s.r.l.	Romania	100%	100%
39	HCL Hungary Limited	Hungary	100%	100%
40	HCL Latin America Holding LLC	USA	100%	100%
41	HCL (Brazil) Technologia da informacao Ltda.	Brazil	100%	100%
42	HCL Technologies Denmark Apps	Denmark	100%	100%
43	HCL Technologies Norway AS	Norway	100%	100%
44	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
45	HCL Technologies Philippines Inc.	Philippines	100%	100%
46	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	100%
47	HCL Arabia LLC	Saudi Arabia	100%	100%
48	HCL Technologies France	France	100%	100%
49	Filial Espanola De HCL Technologies S.L. (Spain)	Spain	100%	100%
50	Anzospan Investments Pty Limited	South Africa	100%	100%
51	HCL Investments (UK) Limited	UK	100%	100%
52	HCL America Solutions Inc. (Formerly known as HCL Technologies Product Design Services inc.)	USA	100%	100%

 # HCL Technologies Canada Inc. and Axon Solutions (Canada) Inc. amalgamated w.e.f. 1 July 2012 and formed a new entity Axon Solutions (Canada) Inc.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Joint Ventures	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	NEC HCL System Technologies Limited.	India	-	49%
2	Axon Puerto Rico	Puerto Rico	49%	49%

Sr. No.	Name of the Associates	Country of Incorporation	Year ended 30 June 2013	Year ended 30 June 2012
			Holding Percentage	
1	Statestreet Holding UK Limited	UK	49%	49%
2	Statestreet Services (India) Private Limited (subsidiary of associate)	India	100%	49%
3	Statestreet Services (Phillipines) Inc. (subsidiary of associate)*	Phillipines	100%	–

** Incorporated w.e.f. 20 June 2013*

The Company has a 49% equity interest in associates and 100% dividend rights. The shareholders agreement provides specific rights to the two shareholders. Management believes that these specific rights do not confer joint control as defined in Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Consequently, Statestreet Holding UK Limited and Statestreet Services (India) Private Limited are not considered as joint ventures and consolidation of financial statements is carried out as per the equity method in terms of Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

Subsidiary companies are those in which the Group, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the composition of board of directors of such companies. Subsidiaries are consolidated from the date on which effective control is transferred to the Company until the date of cessation of the parent-subsidiary relationship. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company. Joint ventures are accounted for using proportionate consolidation. Investments in associates are accounted for using the equity method.

All material inter company transactions, balances and unrealized surplus and deficit on transactions between Group companies are eliminated and only the parent's share in net assets is considered for calculation of goodwill. Consistency in adoption of accounting policies among all Group companies is ensured to the extent practicable. Separate disclosures are made of minority interest.

Minority interest in subsidiaries represents the minority shareholders' proportionate share of net assets and the net income of HCL's majority owned subsidiaries.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the fair value of net assets in each acquired company. The goodwill arising on consolidation is not amortized but tested for impairment on a periodic basis.

d) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

e) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

The management's estimates of the useful lives of the various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (Up to a maximum of 99 years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations and aircraft)	4 to 17
Office equipments	4 to 5
Computers	2 to 4
Furniture and fixtures	4
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold-Improvements	Over the remaining period of lease or 4 years, whichever is lower

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Group amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill other than arising on amalgamation is not amortized. Goodwill arising out of amalgamation is amortized over its useful life not exceeding 5 years unless a longer period can be justified. The management's estimates of the useful life of the various other intangibles assets are as follows:

	Life (in years)
Software	3
Intellectual Property Rights	10

g) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
(ii) Its intention to complete the asset;
(iii) Its ability to use or sell the asset;
(iv) How the asset will generate future economic benefits;
(v) The availability of adequate resources to complete the development and to use or sell the asset; and
(vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

h) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leases. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct cost such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct cost such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

i) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur.

j) Impairment of tangible and intangible assets

An assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or the other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

l) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

m) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Group derives revenues primarily from:-

- Software services;
- Infrastructure services; and
- Business process outsourcing services.

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sales price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from infrastructure management services comprise income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned income arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multi-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Group periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Group gives volume discounts and pricing incentives to customers. The discount terms in the Group's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Group recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Revenue from sales-type leases is recognized when risk of loss has transferred to the client and there are no unfulfilled obligations that affect the client’s final acceptance of the arrangement. Interest attributable to sales-type leases and direct financing leases included therein is recognized on the accrual basis using the effective interest method.

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

n) Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Group at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the statement of profit and loss in the year in which they arise.

(iv) Hedging

(a) Cash flow hedging

The Group uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Group's policies, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are remeasured at subsequent reporting dates.

In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained there until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) Hedging of monetary assets and liabilities

Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense for the year.

(v) Translation of Integral and Non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at monthly weighted average rates ,which approximate the actual exchange rates; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

o) Retirement and other employee benefits

India

i. Contributions to provident fund, a defined benefit plan, are deposited with the Recognized Provident Fund Trusts, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The interest rate payable by the Trusts to the beneficiaries every year is notified by the government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

ii. The Company contributes to a scheme administered on its behalf by an insurance company in respect of superannuation, a defined contribution plan for applicable employees and such contributions are charged to the statement of profit and loss for each period of service rendered by the employees. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans : The Company's contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss for each period of service rendered by the employees.

Subsidiaries in the US

The Company has a saving and investment plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to income in the period in which they accrue.

Subsidiaries in Europe

The Company contributes towards pension plans of the various governments for the employees of its subsidiaries in United Kingdom, Sweden, Netherlands, Belgium, Germany and Northern Ireland. These are defined contribution plans. Contributions are charged to income in the period in which they accrue.

Subsidiaries in Australia

As per the local laws of Australia, employers must provide a minimum level of superannuation for most employees or incur a non-tax deductible superannuation guarantee charge including interest and penalties. The required level of employer superannuation contribution is a percentage of the employee's earnings base. The Company contributes to a fund approved by the Government of Australia. This is a defined contribution plan. Contributions are charged to income in the period in which they accrue.

Subsidiaries in Malaysia and Singapore

As per local laws of Malaysia and Singapore, employers are required to contribute a notified percentage of the basic salary for the eligible employees to the fund set up by the Government of the Country. This is a defined contribution plan. Contributions are charged to income in the period in which they accrue.

p) Taxation

Tax expense comprises of current and deferred tax. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss . Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes down the carrying amount of the MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

q) **Employee stock compensation cost**

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Group calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

r) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s) **Provisions**

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

t) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably, the Company does not recognize a contingent liability but discloses its existence in the financial statements.

u) **Cash and cash equivalent**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

2. **Acquisitions / Sale**

a) **Sale of business**

On March 21, 2013, the Group completed the sale of one of its divisions providing product based complete workflow automation solution that streamlines all aspects of lending and leasing operations. The Group received net proceeds of ₹ 196.79 crores and recognized a net loss of ₹ 13.19 crores. The loss was net of the fair value of certain contractual terms, certain transaction costs and the assets and liabilities sold including goodwill of ₹ 176.84 crores. The loss was recorded and expensed off in the consolidated statement of profit and loss and the net proceeds were reflected in proceeds from sale of business within cash flow from investing activities in the consolidated statement of cash flows. The Group has discontinued the operation of the division. However being not material to the Group, consolidated statement disclosures related to discontinued operations have not been made.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3. Notes to consolidated financial statements

3.1 Share Capital

	As at	
	30 June 2013	30 June 2012
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued, subscribed and fully paid up		
696,869,857 (Previous year 693,283,476) equity shares ₹ 2 each	139.37	138.66

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim dividend may be paid during the year on approval by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at			
	30 June 2013		30 June 2012	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	693,283,476	138.66	688,688,524	137.74
Add: Shares issued on exercise of employee stock options	3,576,256	0.71	4,594,952	0.92
Add: Shares issued under scheme of arrangement (refer note 3.36)	10,125	0.00 *	-	-
Number of shares at the end	696,869,857	139.37	693,283,476	138.66

The Company does not have any holding/ ultimate holding company.

*Absolute amount equals to ₹ 20,250

Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at			
	30 June 2013		30 June 2012	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited *	311,964,982	44.77%	311,973,367	45.00%
HCL Holdings Private Limited	119,548,908	17.16%	119,548,908	17.24%

* Shares earlier held by Slocum Investment (Delhi) Private Limited vested into Vama Sundari Investments (Delhi) Private Limited with effect from 22 March 2013 (the effective date) pursuant to the Scheme of Amalgamation approved by High Court.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June				
	2013	2012	2011	2010	2009
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	10,125 Equity Shares	Nil	Nil	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2013, the following schemes were in operation:

	ESOP1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group Performance

During the year ended 30 June 2012, the following schemes were in operation:

	ESOP1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (Maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group Performance

Each option granted under the above plans entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Compensation Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended			
	30 June 2013		30 June 2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	536,630	655.52	745,947	650.99
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(176,588)	638.71	(193,018)	640.18
Expired during the year	(35,620)	640.08	(16,299)	629.90
Options outstanding at the end of the year	**324,422**	**666.37**	**536,630**	**655.52**
Options exercisable at the end of the year	**324,422**		**536,630**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,609.93 (Previous year ₹ 1,755.22)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended			
	30 June 2013		30 June 2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,024,030	632.18	1,484,659	622.94
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(313,419)	618.13	(382,084)	606.70
Expired during the year	(127,356)	625.65	(78,545)	581.54
Options outstanding at the end of the year	**583,255**	**641.16**	**1,024,030**	**632.18**
Options exercisable at the end of the year	**583,255**		**1,024,030**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,619.54 (Previous year ₹ 1,749.35)

ESOP 2004	Year ended			
	30 June 2013		30 June 2012	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	3,605,488	13.61	3,928,675	17.22
Add: Granted during the year	21,220	8.00	484,740	8.00
Less: Forfeited during the year	(962,180)	8.00	(230,480)	8.00
Exercised during the year	(404,057)	17.64	(573,636)	31.70
Expired during the year	(22,270)	88.72	(3,811)	640.17
Options outstanding at the end of the year*	**2,238,201**	**14.48**	**3,605,488**	**13.61**
Options exercisable at the end of the year	**295,101**		**464,828**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 2,942.59 (Previous year ₹ 1,704.10)

* Total number of outstanding options includes 1,549,700 as on 30 June 2013 (1,732,660 as on 30 June 2012) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2013 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹ 240 - ₹ 750	324,422	0.68	666.37
Employee Stock Option Plan - 2000	₹ 260 - ₹ 470 ₹ 483 - ₹ 823	- 583,255	- 0.63	- 641.16
Employee Stock Option Plan - 2004	₹ 8 ₹ 642 - ₹ 741	2,216,841 21,360	5.61 0.64	8.00 687.24

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

The details of exercise price for stock options outstanding at the end of the year 30 June 2012 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price(₹)
Employee Stock Option Plan - 1999	₹ 240 - ₹ 750	536,630	1.46	655.52
Employee Stock Option Plan - 2000	₹ 260 - ₹ 470	20,785	0.26	393.67
	₹ 483 - ₹ 823	1,003,245	1.31	637.12
Employee Stock Option Plan - 2004	₹ 8	3,575,936	6.47	8.00
	₹ 642 - ₹ 741	29,552	1.45	691.65

The weighted average fair value of stock options granted during the year was ₹ 1,914.35 (Previous year ₹ 1,532.85). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended	
	30 June 2013	30 June 2012
Weighted average share price	324.74	321.95
Exercise Price	₹ 2.00	₹ 2.00
Expected Volatility	36.88%	37.06%
Historical Volatility	36.88%	37.06%
Life of the options granted (vesting and exercise period) in years	2.96 - 5.00 Years	1.71 - 6.00 Years
Expected dividends	₹ 8.00	₹ 8.00
Average risk-free interest rate	7.78%	7.78%
Expected dividend rate	2.46%	2.48%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The same is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

	Year ended	
	30 June 2013	30 June 2012
Net income - As reported	**4,040.09**	**2,422.70**
Add: Employee stock compensation under intrinsic value method	14.97	135.29
Less: Employee stock compensation under fair value method	16.79	130.81
Net income - Proforma	**4,038.27**	**2,427.18**
Earnings per share (₹) refer note 3.27		
Basic - As reported	58.15	35.06
- Proforma	58.12	35.12
Diluted - As reported	57.20	34.43
- Proforma	57.18	34.50

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.2 Reserves and Surplus

	As at	
	30 June 2013	30 June 2012
Capital redemption reserve		
Balance as per last financial statements	45.00	45.00
Add: Movement during the year	-	-
	45.00	**45.00**
Securities premium account		
Balance as per last financial statements	1,769.76	1,654.23
Add: Exercise of stock option by employees	93.59	115.53
Add: Adjustment pursuant to implementation of Scheme of Arrangement (refer note 3.36)	0.48	-
	1,863.83	**1,769.76**
Debenture redemption reserve		
Balance as per last financial statements	630.00	590.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	210.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	(330.00)	(170.00)
	400.00	**630.00**
Share options outstanding		
Balance as per last financial statements	555.08	591.26
Add: Options granted during the year	5.68	74.53
Less: Options forfeited during the year	(166.42)	(31.61)
Less: Transferred to security premium on exercise of stock options	(62.95)	(79.10)
	331.39	**555.08**
Less:-Deferred employee compensation cost	(116.47)	(292.19)
	214.92	**262.89**
Hedging reserve account (net of deferred tax) (Refer note 3.33)		
Balance as per last financial statements	(385.72)	19.24
Add: Movement during the year (net)	(102.80)	(404.96)
	(488.52)	**(385.72)**
Foreign currency translation reserve		
Balance as per last financial statements	755.07	(202.97)
Add: Exchange difference during the year on net investment in non-integral operations	314.97	958.04
	1,070.04	**755.07**
General Reserve		
Balance as per last financial statements	1,229.15	1,034.11
Add: amount transferred from surplus in the statement of profit and loss	380.00	195.04
	1,609.15	**1,229.15**
Surplus in the statement of profit and loss		
Balance as per last financial statements	5,390.28	4,167.94
Add: Profit for the year	4,040.09	2,422.70
Add: Transfer from debenture redemption reserve due to redemption of debentures	330.00	170.00
Amount available for appropriation	**9,760.37**	**6,760.64**
Less: Appropriations		
Interim dividend [amount per share ₹ 6 (Previous year ₹ 8)]	416.94	552.98
Proposed final dividend [including ₹ 0.30(Previous year ₹ 0.29) paid for previous year] [amount per share ₹ 6 (Previous year ₹ 4)]	418.42	277.60
Total dividend	**835.36**	**830.58**
Corporate dividend tax [including ₹ 0.05 (Previous year ₹ 0.05) paid for previous year]	139.82	134.74
Transfer to general reserve	380.00	195.04
Transfer to debenture redemption reserve	100.00	210.00
Net surplus in the statement of profit and loss	**8,305.19**	**5,390.28**
	13,019.61	**9,696.43**

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.3 Share application money pending allotment

	30 June 2013	30 June 2012
- number of shares proposed to be issued	356,008	211,332
- the amount of premium	4.94	2.73
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note- Share application money has not remained pending beyond the period mentioned in the share application. The maximum period within which the shares shall be allotted will be 180 days from the date of receipt of share application money.

3.4 Long term borrowings

		Non-current portion		Current maturities	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
(a)	**Secured**				
	Debentures (refer note 1 below)				
	8.80% Secured redeemable non convertible debentures of ₹ 10 Lacs each (repayable on 10 September 2014)	500.00	500.00	-	-
	8.20% Secured redeemable non convertible debentures of ₹ 10 Lacs each (repayable on 25 August 2012)	-	-	-	330.00
	From banks				
	Long term loans (refer note 2 & 3 below)	32.88	360.61	9.82	230.10
	From others				
	Finance lease obligations (refer note 4 below) (refer note 3.26 (i)(a))	258.34	191.89	90.13	65.35
	Others (refer note 5 below)	0.76	13.82	13.05	17.69
(b)	**Unsecured**				
	Others (refer note 6 below)	4.75	10.88	6.16	10.10
		796.73	**1,077.20**	**119.16**	**653.24**
Amount disclosed under the head "other current liabilities" (note 3.8)				**(119.16)**	**(653.24)**
		796.73	**1,077.20**	**-**	**-**

Note:-

1. Debentures have a maturity period ranging from three years to five years and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company. During the year the Company has paid ₹ 330 crores on redemption of 8.20% series secured redeemable non convertible debentures.
2. The Group has availed a term loan of ₹ 1,395.90 crores at interest rates ranging from 2% - 4% during December 2009 .The balance outstanding is ₹ Nil (Previous year ₹ 559.90 crores). During the year the Group has repaid entire term loan outstanding at the end of previous year.
3. The Group has availed a term loan of ₹ 42.70 crores (Previous year ₹ 35.19 crores) secured by hypothecation of vehicles of ₹ 69.55 crores (Previous year ₹ 45.54 crores) at interest rates ranging from 8% to 11%. The loans are repayable over a period of 3 to 5 years on a monthly basis.
4. The Finance lease obligations are secured against netwoking equipment and vehicles acquired by Group on finance lease at interest rates ranging from 8% to 11%.
5. The other long term loan of ₹ 13.81 crores represents loan taken for purchases of plant and machinery (Previous year ₹ 31.51 crores) at interest rates ranging from 0% to 8.80% secured by hypothecation of gross block of plant and machinery of ₹ 81.49 crores (Previous year ₹ 81.49 crores) of a subsidiary. The loans are repayable till July 2015.
6. The other long term loan of ₹ 10.91 crores represents loan taken for purchases of plant and machinery (Previous year ₹ 20.98 crores) at interest rates ranging from 0% to 8.80%. The loans are repayable till July 2015.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.5 Other long term Liabilities

	As at	
	30 June 2013	30 June 2012
Income received in advance	454.42	346.24
Liability for expenses	20.99	47.69
Unrealized loss on forward covers	244.80	267.71
	720.21	**661.64**

3.6 Long term provisions

	As at	
	30 June 2013	30 June 2012
Provision for employee benefits	199.81	205.19
Provision for warranties	1.67	1.63
	201.48	**206.82**

3.7 Short term borrowings

	As at	
	30 June 2013	30 June 2012
Secured		
From Banks (refer note below)	-	417.28
Unsecured		
Bank overdraft	128.52	31.71
	128.52	**448.99**

Note:- The loan is secured by corporate guarantee from the Company.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.8 Trade payables and other current liabilities

	As at	
	30 June 2013	30 June 2012
Trade Payables	399.27	469.06
Trade Payables-related parties	2.11	0.38
	401.38	**469.44**
Other current liabilities		
Current maturities of long term loans	119.16	653.24
Interest accrued but not due on borrowings	2.69	6.74
Investor education and protection fund (shall be credited by following amounts as and when due) - Unclaimed dividend	2.36	2.37
Advances received from customers	79.19	61.92
Advances received from customers-related parties	-	2.98
Unrealized loss on forward cover	437.91	215.65
Capital Accounts Payables (includes supplier credit ₹ 297.67 Previous year ₹ Nil)	398.20	122.29
Capital Accounts Payables-related parties (includes supplier credit ₹ 7.12 Previous year ₹ Nil)	7.87	2.57
Income received in advance	634.63	686.57
Income received in advance-related parties	0.77	0.69
Accrued salaries and benefits		
Employee bonuses accrued	774.27	593.63
Other employee costs	387.55	356.46
Other liabilities		
Liabilities for expenses	1,775.98	1,212.67
Liabilities for expenses-related parties	7.35	12.92
Supplier Credit -others	300.52	-
Supplier Credit -related parties	48.28	-
Withholding and other taxes payable	234.77	231.48
Book Overdraft	9.23	5.99
	5,220.73	**4,168.18**

3.9 Short term provisions

	As at	
	30 June 2013	30 June 2012
Provision for employee benefits	437.10	370.93
Proposed dividend on equity shares	418.12	277.31
Taxes on dividend	71.06	44.99
Income taxes (refer note 1 below)	793.96	771.99
Wealth tax (refer note 2 below)	1.36	1.37
	1,721.60	**1466.59**

Notes:-

1. Net of advance income tax of ₹ 2,691.00 crores (Previous year ₹ 1,800.54 crores)
2. Net of advance wealth tax of ₹ 5.31 crores (Previous year ₹ 3.96 crores)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise stated)

Note:- 3.10 Fixed Assets

	Gross Block					Accumulated Depreciation/ Amortisation					Net Block	
	As at 1 July 2012	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2013	As at 1 July 2012	Charge for the year	Deletions/ Adjustments	Translations exchange differences	As at 30 June 2013	As at 30 June 2013	As at 30 June 2012
Tangible Assets												
Freehold land	86.57	-	-	0.38	86.95	-	-	-	-	-	86.95	86.57
Leasehold land	131.87	37.48	-	-	169.35	11.11	1.73	-	-	12.84	156.51	120.76
Buildings	967.54	313.33	-	5.45	1,286.32	154.64	60.38	-	1.14	216.16	1,070.16	812.90
Plant and machinery	772.42	161.11	13.70	2.68	922.51	531.30	116.54	13.55	1.26	635.55	286.96	241.12
Office Equipment	235.02	22.80	12.38	2.88	248.32	185.20	25.14	12.24	2.31	200.40	47.92	49.82
Computers - owned	1,492.58	185.63	213.90	31.47	1,495.78	1,033.19	272.05	206.91	27.64	1,125.97	369.81	459.39
Furniture and fittings- owned	587.97	68.55	38.13	6.76	625.15	489.17	48.33	35.30	5.99	508.19	116.96	98.80
Vehicles - owned	52.12	31.91	7.16	0.04	76.91	13.39	12.52	2.37	0.04	23.58	53.33	38.73
- leased	23.36	-	11.24	-	12.12	13.42	3.18	8.42	-	8.18	3.94	9.94
Total (A)	**4,349.45**	**820.81**	**296.51**	**49.66**	**4,923.41**	**2,431.42**	**539.87**	**278.79**	**38.38**	**2,730.87**	**2,192.54**	**1,918.03**
Intangible Assets												
Goodwill	4,538.19	-	193.50	242.20	4,586.89	146.83	-	-	6.75	153.58	4,433.32	4,391.36
Software	683.10	85.17	105.77	10.87	673.37	549.21	95.70	96.63	7.44	555.72	117.65	133.89
Intellectual property rights	11.08	-	-	0.47	11.55	1.26	1.19	-	0.07	2.52	9.03	9.82
Total (B)	**5,232.37**	**85.17**	**299.27**	**253.54**	**5,271.81**	**697.30**	**96.89**	**96.63**	**14.26**	**711.82**	**4,560.00**	**4,535.07**
Total (A)+(B)	**9,581.82**	**905.98**	**595.78**	**303.20**	**10,195.22**	**3,128.72**	**636.76**	**375.42**	**52.64**	**3,442.69**	**6,752.54**	**6,453.10**
Previous year	7,829.77	904.65	164.28	1,011.68	9,581.82	2,583.99	549.24	155.56	151.05	3,128.72	6,453.10	5,245.78

Note:-

1. Gross block and additions to fixed assets include ₹ 16.06 crores and ₹ 1.70 crores (Previous year ₹ 19.53 and ₹ 3.33 crores) respectively and accumulated depreciation and charge for the year of ₹ 5.39 crores and ₹ 1.13 crores (Previous year ₹ 6.65 and ₹ 1.88 crores) respectively in respect of the Company's share of fixed assets on account of proportionate consolidation of joint ventures. (refer note 3.35)

2. Deletion from fixed assets and accumulated depreciation include ₹ 6.83 crores and ₹ 4.23 crores respectively, on account of divestment of the Group 49% stake in NEC HCL System Technologies Limited ("NECH"), a joint venture company (refer note 3.35)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.11 Investments

	As at	
	30 June 2013	30 June 2012
Non-current investments- at cost		
(Non trade and quoted)		
Investment in bonds(refer note 1 and 3 (i) below)	50.00	94.64
Aggregate amount of quoted investments (A)	**50.00**	**94.64**
Investment in Associates (Trade and unquoted) 8,000,000 equity shares (Previous year 8,000,000 equity shares) of $1 each Investment in Statestreet Holding UK Limited **(B)**	35.87	32.36
Aggregate amount of non- current investments (A+B)	**85.87**	**127.00**
Current investments (At lower of cost and fair value) (unquoted)		
Investment in mutual fund(refer note 2 and 3 (ii) below)	582.83	546.20
(Non trade and quoted)		
Investment in bonds(refer note 1 and 3 (i) below)	44.34	-
Aggregate amount of current investments	**627.17**	**546.20**

Note:-

1. Market value of current investments and non current investments in bonds as on 30 June 2013 is ₹ 43.94 crores (Previous year ₹ nil) and ₹ 48.42 crores (Previous year ₹ 91.54 crores) respectively.
2. Net asset value of current investments in mutual funds as on 30 June 2013 is ₹ 589.56 crores (Previous year ₹ 546.20 crores).
3. The details of investments in mutual funds/ bonds are provided below:

i) Details of Investments in bonds - Non trade and quoted

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	5,000	50.00
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	4,418	44.34	4,418	44.64
Total			**94.34**		**94.64**

ii) Details of current investments in mutual funds (unquoted)

	Face Value	Balance as at 30 June 2013		Balance as at 30 June 2012	
		Units	Amount	Units	Amount
Daily Dividend					
Kotak Liquid fund-IP	-	-	-	73,443,408	89.81
TATA Liquid Fund-Super High Investment Plan	-	-	-	695,645	77.53
ICICI Prudential Institutional Liquid Plan -Super Institutional	-	-	-	10,122,109	101.24
SBI Premier Liquid Fund Super IP	-	-	-	1,304,468	130.87
UTI Liquid Fund-Cash Plan	-	-	-	1,290,487	131.56
DSP BlackRock Liquidity Fund-IP	-	-	-	151,877	15.19
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	359,777	60.41	-	-
HDFC Liquid Fund Growth	10	51,685,375	121.58	-	-
ICICI Prudential Liquid Super Inst Plan-Growth	100	11,083,126	195.72	-	-
SBI Premier Liquid Fund Super IP-Growth	1,000	114,428	21.26	-	-
TATA Liquid Fund-Plan A-Growth	1,000	192,447	41.68	-	-
UTI Liquid Fund-Cash Plan-Growth	1,000	740,275	142.18	-	-
Total			**582.83**		**546.20**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.12 Deferred Tax Assets (net)

	As at	
	30 June 2013	30 June 2012
Deferred tax assets:		
Business losses *	57.87	54.51
Provision for doubtful debts	94.94	64.65
Accrued employee costs	234.95	223.22
Unrealized loss on derivative financial instruments	142.75	93.94
Depreciation and amortization	94.39	64.33
Employee stock compensation	37.91	30.89
Others	152.09	145.34
Gross Deferred Tax Assets (A)	**814.90**	**676.88**
Deferred tax liabilities:		
Depreciation and amortization	20.38	-
Others	52.64	15.31
Gross Deferred Tax Liabilities (B)	**73.02**	**15.31**
Net Deferred Tax Assets (A-B)	**741.88**	**661.57**

* *The Group's subsidiaries which are having a consistent profit history have recognized deferred tax assets on such portion of the carry forward business losses which can be utilized against its profits within the limit and carryover period permitted under laws of respective jurisdiction.

3.13 Long term loans and advances

	As at	
	30 June 2013	30 June 2012
Unsecured, considered good		
Capital advances	162.46	68.69
Capital advances-related parties	1.08	0.61
Security deposits	201.01	188.41
Others		
MAT credit entitlement	343.57	331.01
Inter corporate deposit with HDFC Limited	-	50.00
Prepaid expenses	86.08	67.73
Loans and advances to employees	0.33	1.09
Finance lease receivables (refer note 3.26 iii(a))	479.43	288.70
	1,273.96	**996.24**
Unsecured, considered doubtful		
Security deposit	-	1.62
Less: Provision for doubtful advances	-	(1.62)
	1,273.96	**996.24**

3.14 Other non- current assets

	As at	
	30 June 2013	30 June 2012
Unsecured considered good unless otherwise stated		
Deferred cost	417.46	284.07
Bank deposits more than 12 months (refer note 1 below)	0.19	118.72
Unrealized gain on derivative financial instruments	0.06	-
Interest receivable	-	23.30
	417.71	**426.09**

Note:

1. Pledged with banks as security for guarantees and letter of credit ₹ 0.19 crores (Previous year ₹ 8.69 crores)

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.15 Inventories

	As at	
	30 June 2013	30 June 2012
Inventories		
Stock in trade [including in transit ₹ 1.81crores (Previous year ₹ 2.25 crores)]	229.95	214.27
Stores and spares	1.55	11.89
	231.50	**226.16**

3.16 Trade receivables (Unsecured) (Refer note 3.32)

	As at	
	30 June 2013	30 June 2012
(a) Considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	137.64	90.42
Unsecured considered doubtful	157.84	119.16
	295.48	**209.58**
Provision for doubtful receivables	(157.84)	(119.16)
Total (A)	**137.64**	**90.42**
(b) Other receivables		
Unsecured considered good	4,359.51	3,785.24
Unsecured considered doubtful	196.23	94.97
	4,555.74	**3,880.21**
Provision for doubtful receivables	(196.23)	(94.97)
Total (B)	**4,359.51**	**3,785.24**
Total (A)+(B) (refer note 1 below)	**4,497.15**	**3,875.66**

Note:-
1. Includes receivables from related parties amounting to ₹ 7.29 crores (Previous year ₹ 10.58 crores)

3.17 Cash and bank balances

	As at	
	30 June 2013	30 June 2012
(a) Cash and cash equivalent		
Balance with banks		
- in current accounts	547.02	526.26
- in deposits with original maturity of less than 3 months	11.93	11.47
Cheques in hand	36.38	34.82
Cash in hand	-	0.05
Remittances in transit	123.01	101.70
Unclaimed dividend account	2.36	2.37
	720.70	**676.67**
(b) Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months(refer note 1 below)	2,856.41	1,271.02
	3,577.11	**1,947.69**

Note:-
1. Pledged with banks as security for guarantees and letter of credit ₹ 0.25 crores (Previous year ₹ 4.40 crores)

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.18 Short- term loans and advances

	As at	
	30 June 2013	30 June 2012
Unsecured , considered good;		
Loans and advances to related parties	1.10	2.30
Others		
Security deposits	24.54	22.07
Inter corporate deposit with HDFC Limited	742.00	50.00
Advance to suppliers	47.16	71.46
Prepaid expenses	207.74	197.18
Loans and advances to employees	73.43	44.34
Finance lease receivables (refer note 3.26 (iii) (a))	212.40	139.90
Service Tax Receivable	151.26	123.53
Other loan and advances	112.18	23.91
	1,571.81	**674.69**
Unsecured, considered doubtful		
Loans and advances to employees	38.36	10.18
Loans and advances to others	6.55	7.28
	44.91	**17.46**
Less: Provision for doubtful advances	(44.91)	(17.46)
	1,571.81	**674.69**

3.19 Other current assets

	As at	
	30 June 2013	30 June 2012
Unbilled receivables	1,685.53	1,490.57
Unbilled receivables-related parties	19.43	16.46
Deferred cost	278.76	254.19
Interest receivable	72.57	11.26
Advance tax (refundable)	62.53	46.49
Unrealized gain on derivative financial instruments	9.96	5.95
	2,128.78	**1,824.92**

3.20 Revenue from operations

	Year ended	
	30 June 2013	30 June 2012
Sale of services	24,350.92	20,114.39
Sale of hardware and software	1,230.14	716.16
	25,581.06	**20,830.55**

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.21 Other income

	Year ended	
	30 June 2013	30 June 2012
Interest income		
- On fixed deposits	204.60	113.96
- On investment	6.03	6.03
- Others	2.69	18.47
Profit on sale of current investments	16.57	-
Profit on sale of long term investment in joint venture (refer note 3.35)	26.68	-
Dividends from investments	23.95	34.65
Provision for liabilities no longer required written back	-	0.40
Profit on sale of fixed assets (refer note 1 below)	0.07	1.72
Exchange differences (net)	44.50	-
Miscellaneous income	26.02	31.27
	351.11	**206.50**

Note:-

1. Net of loss on sale of fixed assets ₹ 6.77 crores (Previous year ₹ 1.26 crores)

3.22 Cost of materials

	Year ended	
	30 June 2013	30 June 2012
Opening stock	212.02	139.18
Purchases of traded goods	975.46	684.83
	1,187.48	**824.01**
Closing stock	(228.14)	(212.02)
	959.34	**611.99**

3.23 Employee benefit expenses

	Year ended	
	30 June 2013	30 June 2012
Salaries, wages and bonus	11,026.94	9,722.79
Contribution to provident fund and other employee funds	1,457.77	1,183.56
Staff welfare expenses	74.49	62.91
Employee stock compensation expense	14.97	135.29
	12,574.17	**11,104.55**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.24 Finance cost

	Year ended	
	30 June 2013	30 June 2012
Interest		
-on debentures	48.02	73.03
-on loans from banks	22.68	34.35
-on leased assets	1.62	4.96
-others	8.45	4.25
Exchange differences to the extent considered as an adjustment to borrowing costs	-	5.04
Bank charges	24.85	21.00
	105.62	**142.63**

3.25 Other expenses

	Year ended	
	30 June 2013	30 June 2012
Rent	328.00	312.02
Power and fuel	228.58	193.05
Insurance	29.81	23.84
Repairs and maintenance		
- Plant and machinery	44.45	48.35
- Buildings	62.05	45.16
- Others	112.25	107.92
Communication costs	284.77	242.31
Books and periodicals	24.27	22.81
Travel and conveyance	1,137.23	1,028.25
Business promotion	22.19	30.61
Legal and professional charges	185.77	139.53
Outsourcing costs	2,842.04	2,393.75
Software license fee	144.51	149.60
Software tools	2.88	0.96
License and transponder fee	30.47	27.54
Printing and stationery	19.19	21.24
Rates and taxes	157.79	73.00
Advertising and publicity	18.63	11.03
Provision for doubtful advances / advances written off	23.02	7.54
Donations	11.13	4.28
Recruitment, training and development	109.49	131.99
Provision for doubtful debts / bad debts written off	150.15	109.41
Loss on sale of business (refer note 2(a))	13.19	-
Loss on sale of investment	6.09	-
Exchange differences (net)	-	34.63
Miscellaneous expenses	398.44	260.02
	6,386.39	**5,418.84**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.26 Leases

i) Finance lease: In case of assets taken on lease

a) The Company has acquired networking equipments and vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2013	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	98.06	7.93	90.13
	(73.29)	(7.94)	(65.35)
Later than one year and not later than 5 years	268.40	10.06	258.34
	(202.30)	(10.41)	(191.89)
	366.46	**17.99**	**348.47**
	(275.59)	(18.35)	(257.24)

Previous year figures are in brackets.

ii) Operating Lease

a) The Group's significant leasing arrangements are in respect of operating leases for office space and accommodation for its employees. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to ₹ 283.98 crores (Previous year ₹ 311.67 crores). The rent equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Group is ₹ 113.53 crores (Previous year ₹ 78.17 crores). Future minimum lease payments and the payment profile of non-cancellable operating lease are as follows:

	Year ended	
	30 June 2013	30 June 2012
Not later than one year	262.62	247.73
Later than one year and not later than 5 years	694.66	556.87
Later than five years	589.14	607.73
	1,546.42	**1,412.33**

iii) Finance Lease: Incase of assets given on lease

a) The Group has given networking equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2013	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	247.50	35.10	212.40
	(152.99)	(13.09)	(139.90)
Later than one year and not later than 5 years	559.47	84.18	475.29
	(295.88)	(7.18)	(288.70)
Later than 5 years	4.56	0.42	4.14
	(-)	(-)	(-)
	811.53	**119.70**	**691.83**
	(448.87)	(20.27)	(428.60)

Previous year figures are in brackets.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.27 Earnings Per Share

The computation of earnings per share is as follows:

	Year ended	
	30 June 2013	30 June 2012
Net profit as per Statement of profit and loss for computation of EPS	4,040.09	2,422.70
Weighted average number of equity shares outstanding in calculating Basic EPS	694,783,323	691,023,929
Dilutive effect of stock options outstanding	11,501,304	12,576,329
Weighted average number of equity shares outstanding in calculating dilutive EPS	706,284,627	703,600,258
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	58.15	35.06
- Diluted	57.20	34.43

3.28 Segment Reporting

Identification of Segments

The Group's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major entities of the Group operate.

(i) Business Segments

The operations of the Group predominately relate to providing software services, infrastructure services including sale of networking equipment and business processing outsourcing services, which are in the nature of customer contact centres and technical help desks. The Chairman of the Group, who is the Chief Strategy Officer, evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by types of service provided by the Group and geographic segmentation of customers.

Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

Revenue in relation to service segments is categorized based on items that are individually identifiable to that segment, while expenditure is categorized in relation to the associated turnover of the segment. Assets and liabilities are also identified to service segments.

(ii) Geographic Segments

Segment revenue from customers by geographical areas are based on geographical location of the customer and segment assets are by geographical location of the assets.

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Company in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Company within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets consist principally of allocable fixed assets, trade receivables, loans and advances and unbilled receivables. Segment assets do not include unallocated corporate assets, treasury assets, net deferred tax assets, advance taxes and Minimum Alternate Tax.

Segment liabilities include trade payable, other liabilities and borrowings. Segment liabilities do not include share capital, reserves, minority interest, provision for taxes and other unallocated corporate liabilities.

b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, charge taken for stock options issued to employees, corporate expenses and finance cost.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	Infrastructure services	Inter segment transactions / eliminations	Total
Revenue					
- External revenue	16,974.78	1,081.44	7,524.84	-	25,581.06
- Internal revenue	-	-	-	-	-
Total	**16,974.78**	**1,081.44**	**7,524.84**	**-**	**25,581.06**
Segment results	**3,600.39**	**59.45**	**1,435.82**	**-**	**5,095.66**
Unallocated corporate expenses					(71.26)
Interest expense					(105.62)
Other income					137.79
Interest income					213.32
Net profit before taxes					**5,269.89**
Tax expense					(1,225.31)
Share of loss of associates					(0.21)
Minority Interest					(4.28)
Net profit after taxes					**4,040.09**
Assets					
Segment assets	10,623.72	617.84	4,140.65	-	15,382.21
Unallocated assets	-	-	-	-	7,017.11
Total assets					**22,399.32**
Liabilities					
Segment liabilities	4,155.46	232.04	2,704.45	-	7,091.95
Unallocated liabilities	-	-	-	-	2,098.70
Total liabilities					**9,190.65**
Capital expenditure					
Capital expenditure	333.72	52.97	174.21	-	560.90
Unallocated corporate capital expenditure	-	-	-	-	56.16
Total					**617.06**
Significant non-cash adjustments					
Depreciation	337.47	59.82	234.22	-	631.51
Unallocated corporate depreciation	-	-	-	-	5.25
Total					**636.76**
Provision / written off for doubtful debts and advances					173.17

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2012 is as follows:

	Software services	Business process outsourcing services	Infrastructure services	Inter segment transactions / eliminations	Total
Revenue					
- External revenue	14,774.77	956.22	5,099.56	-	20,830.55
- Internal revenue	-	-	-	-	-
Total	**14,774.77**	**956.22**	**5,099.56**	**-**	**20,830.55**
Segment results	**2,667.64**	**(30.70)**	**793.28**	**-**	**3,430.22**
Unallocated corporate expenses					(284.29)
Interest expense					(142.63)
Other income					68.04
Interest income					138.46
Net profit before taxes					**3,209.80**
Tax expense					**(782.72)**
Share of loss of associates					(4.31)
Minority interest					(0.07)
Net profit after taxes					**2,422.70**
Assets					
Segment assets	9,971.70	510.23	3,240.09	-	13,722.02
Unallocated assets	-	-	-	-	4,615.77
Total assets					**18,337.79**
Liabilities					
Segment liabilities	4,674.54	205.38	2,036.33	-	6,916.25
Unallocated liabilities	-	-	-	-	1,582.61
Total liabilities					**8,498.86**
Capital expenditure					
Capital expenditure	598.37	25.73	265.73	-	889.83
Unallocated corporate capital expenditure	-	-	-	-	15.97
Total					**905.80**
Significant non-cash adjustments					
Depreciation	293.18	50.76	186.86	-	530.80
Unallocated corporate depreciation	-	-	-	-	18.44
Total					**549.24**
Provision / written off for doubtful debts and advances					116.95

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Segment Revenue from customers by geographic area based on location of the customer is as follows:

	Year ended	
	30 June 2013	30 June 2012
America	14,798.48	11,242.71
Europe	6,789.44	5,527.72
India	1,076.73	948.78
Others	2,916.41	3,111.34
Total	**25,581.06**	**20,830.55**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2013	30 June 2012
America	4,290.89	5,955.30
Europe	6,496.27	3,676.89
India	10,583.60	7,518.00
Others	1,028.56	1,187.60
Total	**22,399.32**	**18,337.79**

Total Cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:-

	Addition to Segment fixed assets	
	30 June 2013	30 June 2012
America	80.94	101.81
Europe	46.37	71.74
India	480.06	720.66
Others	9.69	11.59
Total	**617.06**	**905.80**

3.29 Related Parties

a) **Related parties where control exists**

Employee benefit trusts

HCL Technologies Limited Employees Trust
Axon Group Plc Employee Benefit Trust No. 3
Axon Group Plc Employee Benefit Trust No. 4
HCL South Africa Share Ownership Trust (Incorporated w.e.f. 22 February 2013)

b) **Related parties with whom transactions have taken place during the year**

Jointly controlled entities

NEC HCL System Technologies Limited, India (upto 26 April 2013)
Axon Puerto Rico Inc., Puerto Rico

Key Management Personnel

Shiv Nadar – Chairman and Chief Strategy Officer
Vineet Nayar - Vice - Chairman and Joint Managing Director

Others (Significant influence)

Vama Sundari Investments (Delhi) Private Limited (Slocum investments (Delhi) Private Limited merged with Vama Sundari Investments (Delhi) Private Limited w.e.f 22 March 2013)
HCL Corporation Private Limited
HCL Infosystems Limited
HCL Holding Private Limited
HCL Insys. Pte. Limited, Singapore
Digilife Distribution and Marketing Services Limited

Associates

Statestreet Services (India) Private Limited

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Transactions with related party during the normal course of business:

	Jointly contolled		Others		Dividend Paid	
	Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2013	2012	2013	2012	2013	2012
Sale of materials and services	**34.42**	**25.50**	**8.60**	**6.14**	**-**	**-**
- NEC HCL Systems Technologies Limited	18.64	12.22	-	-	-	-
- Axon Puerto Rico Inc.	12.83	10.84	-	-	-	-
- HCL Infosystems Limited	-	-	8.60	6.14	-	-
-Statestreet HCL Services (India) Private Limited	2.95	-	-	-	-	-
-Others	-	2.44	-	-	-	-
Purchase of materials and services	**6.19**	**8.62**	**90.10**	**83.74**	**-**	**-**
-HCL Infosystems Limited	-	-	89.83	83.15	-	-
-Axon Puerto Rico Inc.	6.19	8.62	-	-	-	-
-Others	-	-	0.27	0.59	-	-
Payment for use of facilities	**-**	**-**	**1.55**	**2.09**	**-**	**-**
-HCL Infosystems Limited	-	-	1.55	1.50	-	-
-HCL Corporation Private Limited	-	-	-	0.59	-	-
Purchase of capital equipments		**-**	**22.98**	**93.89**	**-**	**-**
-HCL Infosystems Limited	-	-	21.00	82.51	-	-
-Digilife Distribution and Marketing Services Limited	-	-	0.45	5.95	-	-
-Others	-	-	1.53	5.43	-	-
Others (Significant influence)	**-**	**-**	**-**	**-**	**431.52**	**442.98**
-Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	311.97	322.86
-HCL Holding Private Limited	-	-	-	-	119.55	120.12

Transactions with Key Managerial personnel during the year

		Year ended 30 June	
		2013	2012
Chairman and Chief Strategy Officer			
i)	Remuneration	13.60	9.84
Vice-Chairman and Joint Managing Director			
i)	Remuneration	9.27	8.52
ii)	Dividend Paid (includes shares held through family trust)	0.20	2.10
iii)	Stock options		
	- Exercised – No's (oprions)	250,000	250,000
	- Exercise price – ₹	8	8

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

c) Outstanding balances

	Jointly controlled entities		Others	
	As at		As at	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Trade receivables	**4.99**	**4.24**	**2.30**	**6.34**
-HCL Infosystems Limited	-	-	2.30	1.69
-NEC HCL Systems Technologies Limited	-	3.37	-	-
-Axon Puerto Rico Inc.	3.95	0.87	-	-
-Statestreet HCL Services (India) Private Limited	1.04	-	-	-
-Others	-	-	-	4.65
Capital Advance	**-**	**-**	**1.08**	**0.61**
-HCL Infosystems Limited	-	-	0.43	0.47
-Others	-	-	0.65	0.14
Unbilled Receivables	**2.96**	**2.05**	**16.47**	**14.41**
-HCL Infosystems Limited	-	-	16.47	14.41
-Axon Puerto Rico Inc.	0.01	1.01	-	-
-NEC HCL Systems Technologies Limited	-	1.04	-	-
-Statestreet HCL Services (India) Private Limited	2.95	-	-	-
Loan and Advances	**0.07**	**-**	**1.03**	**2.30**
-HCL Infosystems Limited	-	-	1.03	2.24
-Statestreet HCL Services (India) Private Limited	0.07	-	-	-
-Others	-	-	-	0.06
Capital Accounts Payable	**-**	**-**	**7.87**	**2.57**
-HCL Infosystems Limited	-	-	7.87	1.92
-Others	-	-	-	0.65
Supplier Credit	**-**	**-**	**48.28**	**-**
-HCL Infosystems Limited	-	-	48.28	-
Trade payables and other current liabilities	**1.94**	**0.69**	**8.29**	**16.28**
-HCL Infosystems Limited	-	-	8.24	16.10
-Axon Puerto Rico Inc.	1.17	-	-	-
-NEC HCL Systems Technologies Limited	-	0.69	-	-
-Others	0.77	-	0.05	0.18

3.30 Research and Development Expenditure

	Year ended	
	30 June 2013	30 June 2012
Revenue	157.92	167.81
Capital	-	-
	157.92	**167.81**

3.31

(a) Commitments and Contingent Liabilities

	As at	
	30 June 2013	30 June 2012
i) Capital and Other Commitments		
Capital commitments		
Estimated amount of unexecuted capital contracts (net of advances)	1,161.37	562.92
ii) Contingent Liabilities		
Others	13.53	11.16
	1,174.90	**574.08**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

The amounts shown in the item above represent best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

b) Guarantees have been given by the Group against credit facilities, financial assistance and office premises taken on lease amounting to ₹ 75.71 crores (Previous year ₹ 30.29 crores). These guarantees have been given in the normal course of the Group's operations and are not expected to result in any loss to the Group, on the basis of the Group fulfilling its ordinary commercial obligations.

c) The Group and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting a transfer pricing study to determine whether transactions with associate enterprises are undertaken, during the financial year, on an arms length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms length so that aforesaid legislation will not have any impact on the financial statements.

d) During the year ended 30 June 2013, the Group has negotiated extended interest bearing credit terms with certain vendors and issued ₹ 653.59 crores of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.2% to 10.0%. The Group also has letters of credit amounting to ₹ 1.26 crores outstanding for year ended 30 June 2013 in other normal course of business.

3.32 Sale of Receivables

The Group has revolving trade receivables based facilities permitting it to sell certain trade receivables to banks on a non-recourse basis in the normal course of business. The aggregate maximum capacity under these programs was ₹ 593.90 crores as on 30 June 2013 and the maximum capacity utilized by the Group at any point of time during the year was ₹ 207.87 crores. Gains or losses on sale are recorded at the time of transfar of these trade receivables and was immaterial. The Group has retained servicing obligations, which are limited to collection activities related to the non-recourse sales of trade receivables. As a 30 June 2013, the Group had the entire limit of ₹ 593.90 crores available under these programs and there were no outstanding service obligations.

3.33 Derivative Financial Instruments and Hedge Accounting

(a) Foreign currency forward and option contracts

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Group's strategy, which provide principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter parties in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material. The Group does not use forward covers and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Sell covers	As at 30 June 2013	As at 30 June 2012
Foreign Currency	**Rupee equivalent (₹ in Crores)**	
USD / INR	8,319.67	4,772.58
GBP / INR	452.50	60.86
EURO / INR	1,129.71	56.07
EURO / USD	174.70	49.06
AUD / INR	16.44	-
AUD / USD	47.94	124.82
SGD/USD	21.12	-
JPY / USD	-	26.24
ZAR / USD	64.73	52.03
CAD / USD	62.32	65.34
MYR / USD	-	36.78
SEK / USD	84.46	20.39
	10,373.59	**5,264.17**

Buy covers	As at 30 June 2013	As at 30 June 2012
Foreign Currency	**Rupee equivalent (₹ in Crores)**	
JPY / USD	41.98	-
MYR / USD	15.97	-
GBP / USD	208.15	-
SGD / USD	52.81	19.75
	318.91	**19.75**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Options	As at 30 June 2013	As at 30 June 2012
	Rupee equivalent (₹ in Crores)	
Range Forward		
USD / INR	545.50	1,529.20
GBP / INR	-	99.11
EURO / INR	-	47.66
Seagull		
USD / INR	-	395.03
EURO / USD	-	234.81
GBP / USD	-	21.73
EURO / INR	-	116.35
Total	**545.50**	**2,443.89**

The following table summarizes activity in the hedging reserves related to all derivatives classified as cash flow hedges during the years ended 30 June 2013 and 2012:

	Year ended 30 June 2013	Year ended 30 June 2012
(Loss)/Gain as at the beginning of the year	(479.66)	23.51
Unrealized loss on cash flow hedging derivatives during the year	(218.19)	(645.93)
Net losses reclassified into net income on occurrence of hedged transactions	66.58	142.76
Net losses reclassified into net income as hedged transactions are not likely to occur	-	-
Loss as at the end of the year (refer note 1 and 2 below)	(631.27)	(479.66)

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 916.88 crores (Previous year ₹ 712.83 crores).

Notes:

1. Balance as at year end is inclusive of deferred tax assets of ₹ 142.75 crores (Previous year deferred tax assets of ₹ 93.94 crores).
2. As at 30 June 2013, the estimated net amount of existing loss that is expected to be reclassified into the income statement within next twelve months is ₹ 386.53 crores (Previous year loss of ₹ 212.01 crores).

3.34 Employee Benefit Plans

The Group has calculated the various benefits provided to employees as under:

A. Defined Contribution Plans and State Plans

Superannuation Fund

Employer's contribution to Employees State Insurance

Employer's contribution to Employee's Pension Scheme.

During the year the Company has recognized the following amounts in the statement of profit and loss :-

	Year ended 30 June 2013	Year ended 30 June 2012
Superannuation Fund	2.20	8.36
Employer's contribution to Employees State Insurance	3.30	3.50
Employer's contribution to Employee's Pension Scheme	41.93	40.04
Total	**47.43**	**51.90**

Subsidiaries in US

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 47.15 crores (Previous year ₹ 41.01 crores).

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

Subsidiaries in Australia

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 36.78 crores (Previous year ₹ 23.69 crores).

Subsidiaries in Europe

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 71.54 crores (Previous year ₹ 40.46 crores).

Subsidiaries in Asia (excluding India)

Total contributions made to the plan by the company, for the years ended 30 June 2013 is ₹ 41.77 crores (Previous year ₹ 41.50 crores).

B. Defined Benefit Plans

a) Gratuity

b) Employer's contribution to provident fund

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan as required under Accounting Standard 15 (Revised):

Statement of profit and loss

Net employee benefit expense (recognized in Employee Cost)

	Year ended 30 June	
	2013	2012
Current Service cost	36.44	28.64
Interest cost on benefit obligation	14.27	10.42
Expected return on plan assets	-	-
Net Actuarial loss recognized in the year	5.68	18.92
Past Service cost	-	-
Net benefit expense	**56.39**	**57.98**

Balance Sheet

Details of Provision for Gratuity

	Year ended 30 June	
	2013	2012
Defined benefit obligations	195.97	156.07
Fair value of plan assets	0.08	0.08
	196.05	156.15
Less: Unrecognized past service cost	-	-
Plan liability	**196.05**	**156.15**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June	
	2013	2012
Opening defined benefit obligations	156.07	111.37
Current service cost	36.44	28.64
Interest cost	14.27	10.42
Actuarial loss on obligation	5.68	18.92
Benefits paid	(16.41)	(13.28)
Closing defined benefit obligations	**196.05**	**156.07**

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

Changes in fair value of the plan assets are as follows:

	Year ended 30 June	
	2013	2012
Opening fair value of plan assets	0.08	0.08
Expected returns	-	0.01
Contribution by employer	-	(0.01)
Benefits paid	-	-
Actuarial (gain)/loss	-	-
Closing fair value of plan assets	**0.08**	**0.08**

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Group's plans are :

	Year ended 30 June	
	2013	2012
Discount rate	7.45%	8.10%
Estimated Rate of salary increases	7.00%	7.00%
Employee Turnover	17.00%	17.00%
Expected rate of return on assets	N.A.	N.A.

The estimates of future salary increases, considered in the actuarial valuation,take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The following table sets out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended				
	30 June 2013	30 June 2012	30 June 2011	30 June 2010	30 June 2009
Defined benefit obligations	196.05	156.15	111.37	94.36	78.70
Plan assets	0.08	0.08	0.08	0.05	-
Experience adjustment on plan liabilities	(1.88)	8.92	5.15	(2.23)	(6.69)
Experience adjustment on plan assets	-	-	-	-	-

Employers Contribution to Provident Fund

The guidance note on implementing AS-15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation and based on the assumption mentioned below there is no shortfall as at 30 June 2013.

The details of the fund and plan asset position are given below:-

	30 June 2013	30 June 2012
Plan assets at the year end	1,303.73	1,035.06
Present value of benefit obligation at year end	1,303.73	1,035.06
Asset recognized in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	30 June 2013	30 June 2012
Government of India (GOI) bond yield	7.45%	8.10%
Remaining term of maturity	9.29 years	8.03 years
Expected guaranteed interest rate	8.50%	9.40%

During the year ended 30 June 2013, the Group has contributed ₹ 88.72 crores (Previous year ₹ 78.76 crores) towards employer's contribution to the Provident Fund.

Notes to consolidated financial statements for the year ended 30 June 2013
(All amounts in crores of ₹, except share data and as stated otherwise)

3.35 Joint Venture

The Group has an interest in the following jointly controlled entities:

NEC HCL System Technologies Ltd.

In June, 2005 ,the Company entered into a Joint Venture Agreement with NEC Corporation, Japan ("NEC") and NEC System Technologies limited ("NECST"), Japan, a subsidiary of NEC, whereby the Company holds a 49% stake in established joint venture entity, NEC HCL System Technologies Limited ("NECH") and NEC and NECST holds a 51% stake.

In March, 2013 Company entered into an agreement with NEC for the sale of its 49% stake in equity affiliate NECH at gross consideration of USD 12 million(₹ 66.32 crores).The sale was completed during the year on 26 April, 2013.

In consequent to the sale of its holding in NECH to NEC, the Company has recorded a gain of ₹ 26.68 crores, net of related expenses in the year ended 30 June 2013.

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Group in the above jointly controlled entity are given hereunder:

	Year ended	
	30 June 2013	30 June 2012
Revenue from operations	57.81	41.01
Other income	2.12	0.96
Total revenue	**59.93**	**41.97**
Employee benefit expenses	26.54	16.73
Other expenses	13.33	12.60
Depreciation and amortization expense	1.36	0.96
Total expenses	**41.23**	**30.29**
Profit before tax	**18.70**	**11.68**
Provision for tax	6.29	3.95
Net profit after tax	**12.41**	**7.73**

	Year ended	
	30 June 2013	30 June 2012
Assets		
Tangible assets		
Computers	-	1.57
Furniture and fixture	-	0.46
Total tangible assets (A)	**-**	**2.03**
Intangible assets		
Software	-	0.29
Total intangible assets (B)	**-**	**0.29**
Total fixed assets (A+B)	**-**	**2.32**
Trade receivables	-	11.79
Cash and bank balances	-	12.28
Other current assets	-	5.88
Liabilities		
Liabilities and provisions	-	5.03

Name of the Company	Shareholding as on 30 June 2013	Shareholding as on 30 June 2012	Incorporated in
Axon Puerto Rico Inc.	49%	49%	Puerto Rico

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

	Year ended	
	30 June 2013	**30 June 2012**
Revenue from operations	39.38	26.86
Other income	-	-
Total revenue	**39.38**	**26.86**
Employee benefit expenses	31.52	18.51
Other expenses	6.22	4.72
Depreciation and amortization expense	1.48	1.35
Total expenses	**39.22**	**24.58**
Profit before tax	**0.16**	**2.28**
Provision for tax	0.07	0.08
Net profit after tax	0.09	2.20

	Year ended	
	30 June 2013	**30 June 2012**
Assets		
Tangible assets		
Buildiing	7.25	8.05
Plant and machinery	3.41	2.22
Total tangible assets (A)	**10.66**	**10.27**
Intangible assets		
Software	-	-
Total intangible assets (B)	**-**	-
Total fixed assets (A+B)	**10.66**	**10.27**
Trade receivables	12.88	5.06
Cash and bank balances	5.51	8.27
Other current assets	0.49	1.86
Liabilities		
Liabilities and provisions	21.25	18.02

Notes:

a. Axon Puerto Rico Inc. financial statements are for the period ended 31 May 2013 and 2012 respectively.

b. There is no material transaction between the reporting dates of the JV and that of Group.

Notes to consolidated financial statements for the year ended 30 June 2013

(All amounts in crores of ₹, except share data and as stated otherwise)

3.36 Scheme of arrangement

In accordance with the terms of a Scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, the IT enabled services division of HCL Comnet Systems & Services Limited, a subsidiary, has been demerged and transferred to the Company on going concern basis with effect from 1 April 2012, the appointed date.

The consideration for transfer as per the above mentioned scheme has been settled by issue of 10,125 equity shares of ₹ 2 each in the ratio of 227 equity shares of the Company of ₹ 2 each for every 100 equity shares of ₹ 10/- each held by outside shareholders of HCL Comnet Systems & Services Limited. This has resulted in increase in share capital and securities premium by ₹ 20,250 and ₹ 0.48 crores respectively. The above scheme does not have any impact on consolidated profit and loss of the Group.

3.37 Previous year comparatives

Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2013

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2013

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

S.No.	Name of the Subsidiary Company	Financial year to which Accounts relate	Holding Company's interest in the subsidiary at the end of financial year		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns members of Holding Company which are not dealt with in the Company's Accounts (All amounts in ₹ thousands)		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns Members of Holding Company which are dealt with in the Company's Accounts (All amounts in ₹ thousands)	
			Shareholding (No. of shares)	Extent of holding (%)	For the year ended June 30, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary	For the year ended June 30, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary
1	HCL Bermuda Limited	30-Jun-13	409,670,582	100	270,533	(1,811,720)	Nil	Nil
2	HCL America Inc.	30-Jun-13	7,474,410	100	2,136,537	4,692,981	Nil	Nil
3	HCL Great Britain Limited	30-Jun-13	10,568,334	100	1,102,378	915,451	Nil	Nil
4	HCL Sweden AB	30-Jun-13	10,000	100	101,830	178,679	Nil	Nil
5	HCL (Netherlands) BV	30-Jun-13	400	100	155,117	569,960	Nil	Nil
6	HCL GmbH	30-Jun-13	257	100	123,181	(16,014)	Nil	Nil
7	HCL Italy SLR	30-Jun-13	20,000,000	100	29,132	(193,986)	Nil	Nil
8	HCL Belgium NV	30-Jun-13	63,259	100	54,728	(56,381)	Nil	Nil
9	HCL Australia Services Pty. Limited	30-Jun-13	500,000	100	314,803	2,302,372	Nil	Nil
10	HCL (New Zealand) Limited	30-Jun-13	10	100	(357,439)	908,597	Nil	Nil
11	HCL Hong Kong SAR Limited	30-Jun-13	193,167	100	24,843	188,549	Nil	Nil
12	HCL Japan Limited	30-Jun-13	4,400	100	131,873	196,387	Nil	Nil
13	HCL Technologies Austria GmbH	31-Dec-12	6,500,000	100	20,722	4,163,581	Nil	Nil
14	HCL Global Processing Services Limited	30-Jun-13	106,070	100	22,650	286,375	Nil	Nil
15	HCL Comnet Systems & Services Limited	30-Jun-13	1,280	100	(93,425)	10,222,296	Nil	19,610
16	HCL Arabia LLC	31-Dec-12	1,000	100	(21,010)	(2,842)	Nil	Nil
17	HCL BPO Services (NI) Limited	30-Jun-13	4,444,445	100	(360,009)	(795,949)	Nil	Nil
18	HCL Comnet Limited	30-Jun-13	949,900	100	330,532	867,525	Nil	Nil
19	Anzospan Investments (PTY) Limited	30-Jun-13	40,000,000	100	(43)	(21)	Nil	Nil
20	HCL Singapore Pte Limited	30-Jun-13	2,000,000	100	660,792	1,500,020	82,821	412,712
21	HCL (Malaysia) Sdn. Bhd	30-Jun-13	100,000	100	(2,312)	360,431	Nil	Nil
22	HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	30-Jun-13	1,050,100	100	(5,636)	(3,457)	Nil	Nil
23	HCL Technologies Denmark Apps	30-Jun-13	439,205	100	36,122	22,646	Nil	Nil
24	HCL Poland Sp.z.o.o.	30-Jun-13	277,000	100	(7,240)	34,003	Nil	Nil
25	HCL Technologies (Shanghai) Limited	31-Dec-12	Not Applicable	100	(18,966)	(37,280)	Nil	Nil
26	HCL Technologies France	30-Jun-13	2,516,000	100	39,617	(73,825)	Nil	Nil
27	HCL Expense Management Services Inc	30-Jun-13	1,000	100	225,966	(1,089,624)	Nil	Nil
28	Axon Group Limited	30-Jun-13	67,801,824	100	172,493	1,078,135	Nil	Nil
29	Axon Solutions Inc,	30-Jun-13	30,970	100	(892,191)	185,858	Nil	Nil
30	Bywater Limited	30-Jun-13	1,129,982	100	888	3,633	Nil	Nil
31	Axon Solutions Limited	30-Jun-13	100,150	100	215,661	2,495,947	Nil	Nil
32	HCL Axon Malaysia Sdn. Bhd.	30-Jun-13	10,000,000	100	(361,623)	(1,494,764)	Nil	Nil
33	HCL Axon Solutions (Shanghai) Co. Ltd.	31-Dec-12	Not Applicable	100	(51,013)	(200,616)	Nil	Nil
34	Axon Solutions Singapore Pte Ltd.	30-Jun-13	100,000	100	(22,017)	(84,165)	Nil	Nil
35	JSPC i-Solutions Sdn Bhd	30-Jun-13	1,000,000	100	(311)	386,788	Nil	Nil
36	JSP Consulting Sdn. Bhd.	30-Jun-13	500,000	100	(270)	(1,579)	Nil	Nil
37	HCL Technologies Philippines Inc.	30-Jun-13	291,578	100	(54,643)	(37,092)	Nil	Nil
38	HCL Technologies South Africa (Proprietary) Limited	30-Jun-13	2,975,000	100	76,795	8,299	Nil	Nil
39	HCL Axon Technologies Inc.	30-Jun-13	10,000	100	235,013	(678,762)	Nil	Nil
40	Axon Solutions Pty Limited	30-Jun-13	627,517	100	(120,884)	(588,504)	Nil	Nil
41	HCL Technologies Solution GmbH	30-Jun-13	20,000	100	(2,683)	(3,166)	Nil	Nil
42	Axon Acquisition Company, Inc.	30-Jun-13	1,000	100	-	-	Nil	Nil
43	HCL Technologies Norway AS	30-Jun-13	2,990	100	20,062	(7,523)	Nil	Nil
44	HCL Insurance BPO Services Ltd.	30-Jun-13	8,110,000	100	428,426	(537,717)	Nil	Nil

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

S.No.	Name of the Subsidiary Company	Financial year to which Accounts relate	Holding Company's interest in the subsidiary at the end of financial year		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns members of Holding Company which are not dealt with in the Company's Accounts (All amounts in ₹ thousands)		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns Members of Holding Company which are dealt with in the Company's Accounts (All amounts in ₹ thousands)	
			Shareholding (No. of shares)	Extent of holding (%)	For the year ended June 30, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary	For the year ended June 30, 2013	For previous financial years of the subsidiary since it became the Holding Company's subsidiary
45	HCL America Solutions Inc. (formerly Known as HCL Technologies Product Design Services Inc.)	30-Jun-13	10	100	(531)	-	Nil	Nil
46	HCL EAS Limited	30-Jun-13	101,843,957	100	(258,045)	(1,823,885)	Nil	Nil
47	HCL Axon (Pty) Ltd.	30-Jun-13	87,000,000	100	116,107	215,659	Nil	Nil
48	HCL (Brazil) Technologia da informacao Ltda.	31-Dec-12	20,679,566	100	(102,609)	(422,356)	Nil	Nil
49	HCL Technologies Romania s.r.l.	30-Jun-13	35,329	100	481	(1,589)	Nil	Nil
50	HCL Hungary Kft	30-Jun-13	9,000,000	100	(1,773)	2,661	Nil	Nil
51	HCL Latin America Holding LLC	30-Jun-13	13,796	100	721	2,645	Nil	Nil
52	HCL Argentina s.a.	30-Jun-13	1,076,975	100	1,441	(6,017)	Nil	Nil
53	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	30-Jun-13	30,000	100	6,245	(629)	Nil	Nil
54	HCL Mexico S. de R.L.	31-Dec-12	Not Applicable	100	11,296	2,029	Nil	Nil
55	HCL Investment (UK) Limited	30-Jun-13	5,750,100	100	(1,059)	(15)	Nil	Nil
56	HCL Eagle limited	30-Jun-13	91,997	92.00	1,877	(369)	Nil	Nil
57	PT. HCL Technologies Indonesia	30-Jun-13	500,000	100	(14,434)	(2,047)	Nil	Nil

Notes:

a) In respect of the subsidiaries whose financial year do not coincide with the financial year of the Company, neither there has been change in the holding company's interest in the subsidiary nor any material transaction has occurred, between the end of the financial year of such subsidiary and end of financial year of the company.

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 1 October, 2013

Note: Information on subsidiaries is provided in compliance with the General Circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company and its subsidiaries on specific requests made to it in this regard by the said shareholders at any point of time. The annual accounts of the subsidiaries will also be kept for inspection by any shareholder at the registered office of the Company and that of the subsidiary company concerned.

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956

(All amounts in ₹ thousands)

S.No	Name of the Subsidiary Company	Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit before tax	Provision for tax	Profit after tax	Dividend
1	HCL Bermuda Limited	USD	59.39	40,662,586	(1,901,336)	38,854,666	93,416	-	-	270,533	-	270,533	-
2	HCL America Inc.	USD	59.39	443,905	23,784,925	58,983,976	34,755,146	-	123,121,391	4,793,830	2,657,293	2,136,537	-
3	HCL Great Britain Limited	GBP	90.50	956,402	2,484,853	13,297,950	9,856,695	-	26,355,895	1,451,617	349,239	1,102,378	-
4	HCL Sweden AB	SEK	8.84	884	328,869	3,073,051	2,743,298	-	3,995,390	138,581	36,751	101,830	-
5	HCL (Netherlands) BV	EUR	77.64	1,409	304,845	1,296,407	990,153	-	3,497,800	201,918	46,801	155,117	-
6	HCL GmbH	EUR	77.64	1,995	296,581	1,491,313	1,192,737	-	3,418,304	165,783	42,602	123,181	-
7	HCL Italy SLR	EUR	77.64	802	113,816	285,985	171,367	-	299,913	29,132	-	29,132	-
8	HCL Belgium NV	EUR	77.64	277,045	(22,580)	645,713	391,248	-	1,163,031	46,899	(7,829)	54,728	-
9	HCL Australia Services Pty. Limited	AUD	54.79	27,394	1,525,181	3,854,150	2,301,575	-	10,171,246	443,506	128,703	314,803	-
10	HCL (New Zealand) Limited	NZD	46.25	2,146	52,741	1,452,017	1,397,130	-	2,427,712	(516,452)	(159,013)	(357,439)	-
11	HCL Hong Kong SAR Limited	HKD	7.66	1,479	37,813	233,634	194,342	-	459,941	30,848	6,005	24,843	30,620
12	HCL Japan Limited	JPY	0.60	132,000	321,937	1,200,492	746,555	-	4,499,004	241,112	109,239	131,873	-
13	HCL Technologies Austria GmbH	EUR	77.64	34,266	5,999,004	6,268,243	234,973	-	4,771	20,849	127	20,722	-
14	HCL Global Processing Services Limited	INR	1.00	1,061	309,025	316,076	5,990	-	27,785	33,511	10,861	22,650	-
15	HCL Comnet Systems & Services Limited	INR	1.00	12,800	(72,865)	241,495	301,560	-	369,007	(93,425)	-	(93,425)	-
16	HCL Arabia LLC	SAR	14.66	7,330	(23,953)	54,344	70,967	-	35,948	(21,010)	-	(21,010)	-
17	HCL BPO Services (NI) Limited	GBP	90.50	362,090	(1,238,399)	322,994	1,199,303	-	612,412	(361,366)	(1,357)	(360,009)	-
18	HCL Comnet Limited	INR	1.00	9,499	1,734,809	9,794,102	8,049,794	1,811,947	5,613,063	450,906	120,374	330,532	-
19	Anzospan Investments (PTY) Limited	ZAR	5.94	534,600	(61)	534,539	-	-	-	(43)	-	(43)	-
20	HCL Singapore Pte Limited	SGD	46.94	93,877	1,483,499	3,392,429	1,815,053	-	7,637,057	794,262	133,470	660,792	375,507
21	HCL (Malaysia) Sdn. Bhd	MYR	18.79	1,879	215,092	399,795	182,824	-	-	(2,312)	-	(2,312)	-
22	HCL Technologies Solutions Limited (formerly known as HCL EAI Services Limited)	INR	1.00	10,501	22,835	62,194	28,858	-	31,171	(5,636)	-	(5,636)	-
23	HCL Technologies Denmark Apps	DKK	10.41	34,024	61,377	760,248	664,847	-	1,727,335	48,299	12,177	36,122	-
24	HCL Poland Sp.z.o.o.	PLN	17.91	248,088	18,674	418,812	152,050	-	827,953	(7,240)	-	(7,240)	-
25	HCL Technologies (Shanghai) Limited	CNY	8.83	135,169	(27,791)	165,324	57,946	-	304,184	(19,302)	(336)	(18,966)	-
26	HCL Technologies France	EUR	77.64	195,351	(25,465)	680,701	510,815	-	1,610,204	39,617	-	39,617	-
27	HCL Expense Management Services Inc. #	USD	59.39	0	205,032	213,745	8,713	-	-	225,966	-	225,966	-
28	Axon Group Limited.	GBP	90.50	61,359	17,795,015	19,044,368	1,187,994	-	-	172,493	-	172,493	-
29	Axon Solutions Inc.	USD	59.39	1,839	4,050,971	9,210,272	5,157,462	58,202	11,856,653	(583,615)	308,576	(892,191)	-
30	Bywater Limited	GBP	90.50	5,011	149,322	154,333	-	-	-	888	-	888	-
31	Axon Solutions Limited	GBP	90.50	90	3,759,362	8,410,418	4,650,966	-	14,364,309	169,687	(45,974)	215,661	-
32	HCL Axon Malaysia Sdn. Bhd.	MYR	18.79	315,872	(87,706)	1,178,391	950,225	-	2,363,495	(366,372)	(4,749)	(361,623)	-
33	HCL Axon Solutions (Shanghai) Co. Ltd.	CNY	8.83	18,261	(278,946)	85,665	346,350	-	70,939	(51,013)	-	(51,013)	-
34	Axon Solutions Singapore Pte Ltd.	SGD	46.94	4,694	(121,793)	29,260	146,359	-	95,233	(22,017)	-	(22,017)	-
35	JSPC i-Solutions Sdn Bhd	MYR	18.79	1,879	(506)	1,585	212	-	-	(311)	-	(311)	-
36	JSP Consulting Sdn. Bhd.	MYR	18.79	9,395	(326)	9,244	175	-	-	(270)	-	(270)	-
37	HCL Technologies Philippines Inc.	PHP	1.38	40,144	(93,502)	100,844	154,202	-	157,069	(54,642)	1	(54,643)	-
38	HCL Technologies South Africa (Proprietary) Limited	ZAR	5.94	17,667	83,956	406,933	305,310	-	579,963	106,660	29,865	76,795	-
39	HCl Axon Technologies Inc.	CAD	56.66	691,607	(259,769)	1,964,129	1,532,291	-	3,249,004	47,531	(187,482)	235,013	-
40	Axon Solutions Pty Limited	AUD	54.79	34,380	(1,080,156)	131,669	1,177,445	-	265,672	(173,009)	(52,125)	(120,884)	-
41	HCL Technologies Solution GmbH	CHF	62.98	1,260	(1,554)	92	386	-	-	(2,683)	-	(2,683)	-

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956

(All amounts in ₹ thousands)

S.No	Name of the Subsidiary Company	Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit before tax	Provision for tax	Profit after tax	Dividend
42	Axon Acquisition Company, Inc. #	USD	59.39	0	-	0	-	-	-	-	-	-	-
43	HCL Technologies Norway AS	NOK	9.84	29,464	124,357	624,096	470,275	-	1,388,906	27,910	7,848	20,062	-
44	HCL Insurance BPO Services Ltd.	GBP	90.50	733,953	(163,533)	1,132,514	562,094	-	2,301,048	428,426	-	428,426	-
45	HCL America Solutions Inc. (Formerly Known as HCL Technologies Product Design Services Inc.)	USD	59.39	594	(531)	138,957	138,894	-	133,816	(531)	-	(531)	-
46	HCL EAS Limited	USD	59.39	9,357,524	(2,029,957)	43,022,704	35,695,137	-	241,574	(258,045)	-	(258,045)	-
47	HCL Axon (Pty) Ltd.	ZAR	5.94	516,650	286,114	1,469,472	666,708	-	1,681,031	161,540	45,433	116,107	-
48	HCL (Brazil) Technologia da informacao Ltda.	BRL	26.86	555,368	(518,641)	283,813	247,086	-	1,250,899	(45,654)	56,955	(102,609)	-
49	HCL Technologies Romania s.r.l.	RON	17.39	6,145	(1,540)	16,111	11,506	-	19,358	593	112	481	-
50	HCL Hungary Kft	HUF	0.26	2,364	1,091	10,054	6,599	-	14,623	(1,736)	37	(1,773)	-
51	HCL Latin America Holding LLC	INR	1.00	731,159	3,366	734,525	-	-	-	721	-	721	-
52	HCL Argentina s.a.	ARS	11.05	11,900	(5,318)	15,249	8,667	-	25,081	1,441	-	1,441	-
53	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	EUR	77.64	23,293	5,526	287,741	258,922	-	214,770	7,751	1,506	6,245	-
54	HCL Mexico S. de R.L.	MXN	4.22	65,999	17,503	148,160	64,659	-	276,355	19,080	7,784	11,296	-
55	HCL Investment (UK) Limited	GBP	90.50	520,383	(1,075)	519,308	-	518,347	-	(1,059)	-	(1,059)	-
56	HCL Eagle limited	INR	1.00	1,000	1,639	91,986	89,347	-	153,121	2,040	-	2,040	-
57	PT. HCL Technologies Indonesia	IDR	0.01	26,950	(24,456)	33,007	30,513	-	31,781	(14,434)	-	(14,434)	-

Notes:
Refer table given below for absolute amount of share capital in each of the following companies:-

Name of the Subsidiary Company	Share Capital (₹)
HCL Expense Management Services Inc.	59
Axon Acquisition Company, Inc.	59

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

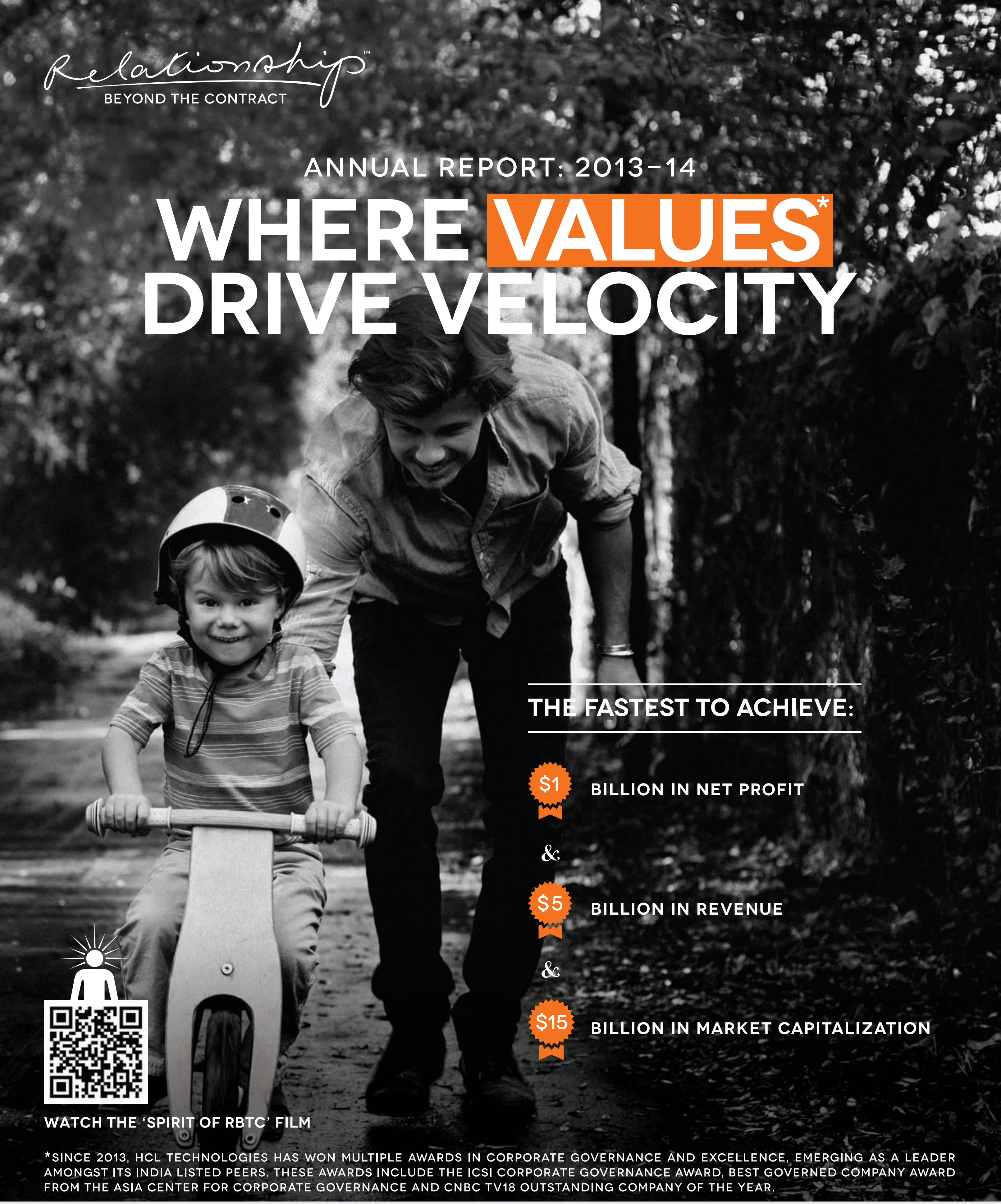
Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 1 October, 2013

NOTES

www.hcltech.com

HCL Technologies Ltd.
A-10/11, Sector - 3, Noida 201301, U.P., India.



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ANNUAL REPORT: 2013–14

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&

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$15 BILLION IN MARKET CAPITALIZATION

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*SINCE 2013, HCL TECHNOLOGIES HAS WON MULTIPLE AWARDS IN CORPORATE GOVERNANCE AND EXCELLENCE, EMERGING AS A LEADER AMONGST ITS INDIA LISTED PEERS. THESE AWARDS INCLUDE THE ICSI CORPORATE GOVERNANCE AWARD, BEST GOVERNED COMPANY AWARD FROM THE ASIA CENTER FOR CORPORATE GOVERNANCE AND CNBC TV18 OUTSTANDING COMPANY OF THE YEAR.

CONTENTS

HCL

BOARD OF DIRECTORS

MR. SHIV NADAR
Chairman and Chief Strategy Officer

MR. AMAL GANGULI
Non-Executive & Independent Director

MR. KEKI MISTRY
Non-Executive & Independent Director

MR. RAMANATHAN SRINIVASAN
Non-Executive & Independent Director

MS. ROBIN ANN ABRAMS
Non-Executive & Independent Director

MS. ROSHNI NADAR MALHOTRA
Non-Executive & Non-Independent Director

DR. SOSALE SHANKARA SASTRY
Non-Executive & Independent Director

MR. SRIKANT MADHAV DATAR
Non-Executive & Independent Director

MR. SUBRAMANIAN MADHAVAN
Non-Executive & Independent Director

MR. SUDHINDAR KRISHAN KHANNA
Non-Executive & Non-Independent Director

MR. MANISH ANAND
Company Secretary

Auditors
M/s. S.R. Batliboi & Co. LLP
Chartered Accountants
Gurgaon

Bankers
Citibank, N.A.
Global Corporate & Investment Banking
DLF Centre, 5th Floor
Parliament Street
New Delhi-110001

Deutsche Bank AG
Corp. Office - DLF Square
4th Floor, Jacaranda Marg,
DLF City, Phase - II
Gurgaon-122002

Standard Chartered Bank
Corporate & Institutional Banking
Credit Operations, India
H -2, Connaught Circus
New Delhi-110001

State Bank of India
Corporate Accounts Group Branch
11th / 12th Floor Jawahar Vyapar Bhawan
1, Tolstoy Marg
New Delhi-110001

MANAGEMENT DISCUSSION AND ANALYSIS

Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When words like 'anticipate', 'believe', 'estimate', 'intend', 'will', 'expect' and other similar expressions are used in this discussion, they relate to the Company or its business and are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading 'Risk Factors' in the Prospectus filed with the Securities and Exchange Board of India (SEBI) as well as factors discussed elsewhere in this report. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Annual Report - MD&A

Current State of the Indian IT Industry

The Indian IT industry is in a revival mode. The economic pressures of preceding years, leading to higher focus by clients on business outcomes, presented an opportunity. The industry responded to this with alternative delivery models, introduced offerings aligned to business impact and started playing a larger role in client's innovation agenda. This enabled the industry to increase its share in the global outsourcing market.

According to NASSCOM estimates, the total size of the Indian IT industry reached $118bn for the period April 2013 to March 2014 (described as FY14 by the industry), a growth of 9% over the last year. Out of this, export revenues crossed $86bn, a growth of 13% over the last year. Within exports, IT services was the fastest growing segment, with an estimated growth of 14.3% when compared to the last year.

While US remains the largest market for India, accounting for 62% of the exports, there has been a revival in demand from Europe, which grew at an estimated 14% in FY14.

The market is expected to be driven by the emerging industry verticals such as retail, healthcare and utilities, though the mature vertical of Financial Services remains the largest segment, accounting for over 41% of the total industry exports.

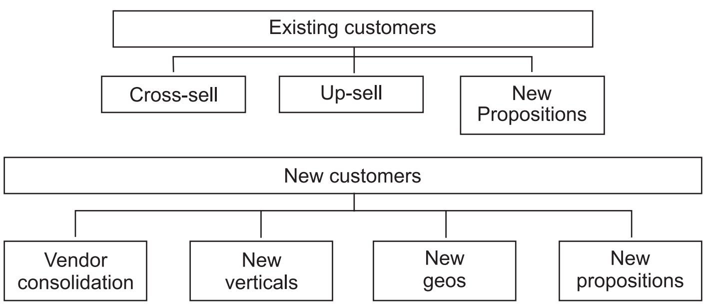
Industry Outlook

As per NASSCOM projections, for FY15 the industry exports are expected to grow between 13-15%, while domestic market revenues are expected to grow between 9-12%. Key technologies like digitalization, internet of things, smart grids, cloud computing, mobility and multi-channel consumer connect will play a major role in the investments decisions that the clients will make.

Drivers for future growth

- Digitalization, applications that are moving to the cloud, deeper adoption by business of newer technologies, and emergence of 'as-a-service model', present significant new opportunities for the IT industry.
- Digitalization is viewed by clients as a route to business model transformation for building sustainable competitive advantage. To achieve this, businesses not only need front office implementation, but also integration with middle and back office. Along with this, the need for enterprise clients to modernize their applications and transition to the cloud, is creating new potential.
- Mobility and analytics solutions remain key growth drivers for front office transformation. According to NASSCOM, companies worldwide are expected to spend about $140 billion on mobility by the year 2020.
- Emerging markets and industry verticals present a significant opportunity as well. Verticals like media, retail, consumer products, telecom and hi-tech manufacturing are growing significantly, as they come out of the economic crisis of 2008. The growth rate of IT spending in these businesses quadrupled from year 2012 to 2013 and this pace is expected to continue. Continental Europe, Middle East and Africa (MEA) and Asia Pacific (APAC) are growing at a faster rate when compared to others.

HCL - Opportunities for Growth



At HCL, acquisition of new customers and growth within the existing customers has been the key to success.

Future growth opportunities will come both from existing as well as new customers.

- From existing customers, the opportunities reside in cross-sell, up-sell and new business aligned Generation 2.0 (Gen 2.0) propositions such as DSI™ (Digital Systems Integration), ALT ASM™ (Alternate Application Support and Maintenance) and EFaaS™ (Enterprise Function as a Service). HCL provides increased value to its customers by leveraging key alliances and partnerships to facilitate development of high-value solutions jointly.
- From the new customers, growth opportunities come from vendor-consolidation, newer industry verticals and newer geographies. Vendor consolidation will contribute significantly to global offshoring.

HCL's ability to grow customer relationships, particularly into large accounts, will be critical for its growth in the coming years.

HCL- Key Growth Drivers:

- Gen 2.0 business aligned propositions such as DSI™, ALT ASM™ and EFaaS™.
- Well balanced portfolio to address full IT opportunities.
- Simplified and consolidated structure with clearly established lines of accountability.
- Positioning as a provider of end-to-end services.
- Focus on both existing as well as new customers.
- Best -in-class account management practices.
- Investments in high value services and global delivery model.
- Looking beyond traditional levers to achieve non-linear growth.

The HCL Strategy

HCL's strategy of focusing on growth, employee-driven innovation and unique positioning in the marketplace has further improved its competitive standing. The market has shifted from Generation 1.0 (Gen 1.0) which was predominantly a cost-focused outsourcing to Gen 2.0, which is business-focused outsourcing. HCL has invested in Gen 2.0 propositions which are aligned to create business impact.

ALT ASM™ dwells on the concept of Proactive Obsolescence and goes beyond traditional ASM to proactively reduce the number of tickets to zero. HCL's DSI service offerings enable organizations to transform themselves from a traditional IT organization to a digital enterprise. Reborn Digital™ strategy analyzes and connects an organization's legacy systems, assesses its readiness for the digital age, and addresses the challenges through solutions that create a complete digital enterprise. HCL's EFaaS™ service enables organizations to reduce cost of operations through creation of specialized utilities, and achieve 25%-35% cost reduction within each utility.

An employee-driven innovation culture has enabled HCL to drive higher customer satisfaction (CSAT) and outgrow the industry. Employees are driven by the Relationship Beyond the Contract philosophy (RBtC) and Ideapreneurship™ - a culture which empowers employees to come up with innovative solutions to create business impact for the clients.

Infrastructure Services Division

Infrastructure Services Division (ISD) manages mission-critical IT environment for over 20 of the Fortune 100 companies. With a differentiated and future ready value proposition, ISD is well positioned to address the IT infrastructure requirements of an enterprise.

ISD is widely recognized by the analyst community as a leading Infrastructure services provider globally. The division's key service offerings include:

➢ **Next Generation Data Center and Cloud Services:** End - to - End Service portfolio spanning Datacenter and Cloud Hosting propositions, covering Workload Assessment Services, DC/Cloud Migration and Transformation Services, along with end - to - end DC/Cloud Management, Operations, and Converged Security and Network stack. The practice also covers Mainframe and AS 400 Environment Management.

  HCL continues to invest in building industry leading, differentiated tools for optimized cloud enablement such as HCL CART (Cloud Assessment Tool), Cloud Command Center (CCC- specialized Cloud Migration, Deployment and Operations Center) and HCL MyCloud Portal for Cloud Aggregation, End user enablement and management.

➢ **Business Productivity Services** - Workplace modernization and provisioning services that cover end-user enablement (HCL Optibot) and profiling (Kaleidoscope), Service desk and global field support, Remote/Branch site optimization (Zero Infrastructure Footprint), Hybrid messaging, Social and collaboration services, Enterprise Mobile enablement, Managed print services, Virtualization and Desktop as a Service, Client application management services and OS (Windows 7/8, iOS, Android) migration.

➢ **Digital Operations Services** - HCL's digital operations service capability targets to bring in "WebScale IT" architecture into an enterprise. The HCL service offering combines into a unified service wrapper several components including an agile DevOps-oriented Support framework, a highly elastic, self-healing Infrastructure, High level of automation, eSecurity practices and an end-to-end Performance Management Solution. This service offering is targeted to meet the end-to-end IT Operations of the digital side of large G2K enterprises.

- **Cross-Functional Services** - One of the critical services that leverage service management based on ITIL (Information Technology Infrastructure Library) based processes for centralized management of distributed assets. The services included are disaster recovery and business continuity services, service automation and governance, risk and compliance services. Many of these services are bundled with the overall services; including award-winning tools and frameworks such as MTaaS™ (Management Tools-as-a-Service) and Gold Standard (Operations Maturity Assessment framework).
- **Network Services** - Lifecycle management services that span strategy, transformation and operations, covering Strategy Definition, Audit Services, Risk Assessment and Mitigation Planning, Policy Definition and Implementation, Unified Communication Services, LAN/WAN Consolidation Migration and 24x7 Network Infrastructure Incident and Monitoring and Management (Network Operations Center).
- **Information Security Services** - Information Security Services portfolio includes Systems Security, End Point Security, Application Security, Data and Content Security, IAM, Network Security and Enterprise Security Assurances Services. With over 17 years of experience in info-security lifecycle management, HCL has experience of delivering over 150 information security projects across multiple industry verticals.
- **System Integration Services** - These cover the entire infrastructure services stack. ISD has successfully delivered over 580 complex IT infrastructure architecture and operations transformations and is increasingly acknowledged and recognized by Fortune 500 and Global 2000 companies as a credible alternative to top tier global MNCs.

HCL's Enterprise of the Future (EOF) framework leverages the above managed services to prepare a blueprint that allows assimilating and adopting Social Media, Mobility, Cloud and Analytics within an enterprise. The framework also enhances the strategic, technological and economic value of IT.

HCL's ISD provides infrastructure management services to customers through a robust delivery network of service centers across the globe, in over 26 languages. Infrastructure operations include standardized management of globally distributed assets of over 5 million mission critical IT devices; resolving over 17 million helpdesk contacts and supporting the needs of over 1.4 million business users.

The solution caters to major industries including Automotive, Banking, Chemical, Energy (Oil and Gas) and Utility, Consumer Electronics, Financial Services, Consumer Product Goods, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Sciences, Healthcare and Pharmaceuticals, Manufacturing, Media, Publishing and Entertainment, Retail, Telecom, Travel and Tourism and Logistics. HCL's fast growth has prompted several bestselling authors to include the ISD case study in their books and research.

The division has received its share of accolades:

- HCL has been positioned as a Leader in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America, by William Maurer, David Edward Ackerman, Bryan Britz, July 2013.
- HCL has been positioned as a Niche Player in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, Europe, by Claudio Da Rold, Gianluca Tramacere, Frank Ridder, July 2013.
- HCL has been positioned as a Niche Player in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, Asia Pacific, by Rolf Jester, Freddie Ng, Jim Longwood, Arup Roy, November 2013.
- HCL has been positioned as a Challenger in Gartner Magic Quadrant for End-User Outsourcing, Europe, by Gianluca Tramacere, Claudio Da Rold, Ian Marriott, 14 August 2013.
- HCL has been positioned as a Leader in Gartner Magic Quadrant for End-User Outsourcing, North America, by David Edward Ackerman, William Maurer, Bryan Britz, 2013.
- HCL has been positioned as a Leader in Gartner Magic Quadrant for Communications Outsourcing and Professional Services, by Eric Goodness, Christine Tenneson, 21 October, 2013.
- Award: HCL Technologies and Cummins Inc., have received the prestigious Outsourcing Excellence Award of Best Long-term Relationship from the Outsourcing Center for demonstrating a successful partnership of 10 years.

Snapshot

- Services offered are primarily geared towards G2000 companies and offer a credible alternative to Global MNC IT outsourcers.
- Manages mission critical environments for over 20% of the Fortune 100 companies.
- Offerings: Next Generation Data Center and Cloud Services, Business Productivity Services, Network Services, Digital Operations, Information Security Services, Cross-Functional Services, Mainframe and AS/400 Management and System Integration.
- Industries served include Automotive, Banking, Chemical, Energy (Oil and Gas) and Utility, Consumer Electronics, Financial Services, Consumer Products, Hi-tech, Independent Software Vendor (ISV), Insurance, Life Sciences, Healthcare and Pharmaceuticals, Manufacturing, Media, Publishing and Entertainment, Retail, Telecom, Travel and Tourism, Logistics, etc.

Applications Services

HCL's Applications Business provides customers with integrated transformational services for their applications portfolio. With operations across 31 countries, it offers a broad range of focused applications and business services, and the unique ability to seamlessly integrate multiple service lines as best suits our clients' individual requirements. The business combines this approach with in-depth expertise in major industries such as consumer services, manufacturing, life sciences and financial services.

HCL's Applications Business offers technical expertise organized around 11 horizontal capabilities. This structure offers customers transformation value which builds upon the specialist experience and knowledge of our seasoned professionals. HCL's engagements are diverse and comprehensive, and provide customers with solutions that meet business challenges across a number of industries. HCL's solutions help support enterprises' business needs, from attracting and managing a growing workforce to enabling enterprise mobility for millions of customers or leading a complex ERP deployment across over 100 countries.

With HCL, customers get a fresh perspective and a unique capability compared to other IT services providers - the Company calls this the 'Alternative'. The landscape of the IT industry is changing and the applications market in particular has undergone a transformational shift. While traditional systems integration services remain critical, clients are now seeking partners that can also help them make sense of emerging technologies and make their IT systems ready for the future, while simultaneously reducing costs. HCL recognizes this shift and has adapted its approach to the applications services portfolio to meet the changing needs of its clients.

HCL maintains strong relationships with a number of key alliance partners. Its work with partners allows it to deliver transformational engagements and develop leading solutions in the marketplace. Tier 1 partners include SAP, Oracle and Microsoft with whom HCL Technologies holds the highest global level of partnership for IT service providers. Additional partnerships are also in place at the horizontal level. For example, the Business Analytics Services horizontal leverages strong relationships with Informatica and MicroStrategy to provide specialist technical knowledge.

HCL continues to invest significantly in relevant research and campaigns that provide unique insight and real value to executives and decision makers. For example, a recent research commissioned by HCL has shown the potential to move $39 billion worth of SAP applications to the cloud over the next two years. HCL recognizes the key motivators and inhibitors of such a transition, and has developed solutions that will support businesses in their digital transformations. HCL's forward-looking research on the future of IT is supported by strong external marketing and its presence at major international events such as SAPPHIRE NOW and Oracle OpenWorld, as well as at dedicated events devoted to specialist industries and technical needs.

HCL recognizes the importance of investing in and developing strong intellectual property across its technical capabilities. The Company provides organizations with easy - to - use and powerful tools including accelerators, frameworks and comprehensive methodologies which support customers in quickly and confidently addressing their business needs.

Using its engagement experience and technical expertise, HCL has also

Applications Business Unit: Snapshot

- 44.2% of HCL Technologies' revenues
- Key partnerships: SAP, Microsoft, Oracle, IBM
- Offerings: Business Analytics Services, Business Assurance and Testing, CRM, e-Commerce and Omni-channel, HCM, Integration and Middleware, Microsoft, Oracle, SAP, Collaboration and Enterprise Content Management Platforms
- Industries: Consumer Services, Financial Services, Life Sciences and Healthcare, Manufacturing, and Public Sector
- Focus areas: Digital Systems Integration (DSI) and ALT ASM
- HCL Technologies has been featured as a leader in the mobile service space by IDC, in the recent report titled "IDC MarketScape: Worldwide Mobile Application Development, Testing, Management, and Infrastructure (mADTMI) Services 2014 Vendor Assessment." IDC assessed 14 service providers, offering mADTMI services to enterprise-class firms.
- HCL has been positioned as a Leader in the IDC MarketScape: Worldwide Mobile Application Development, Testing, Management and Infrastructure Services 2014, Vendor Assessment, March 2014. According to the report, "HCL earned high marks against IDC's customer satisfaction rating category and level of marketing investment for its mADTMI services. In client interviews, HCL clients shared glowing remarks on HCL's technical strength and industry knowledge, experience with mobility, and its deep rooted relationships with mobile device manufacturers".
- Technology Business Research (TBR) has published an exclusive white paper titled 'HCL's App Test Factory Service Line Unit reduces testing costs and time to market for mobile applications'. The white paper notes, "HCL's App Test Factory solution addresses multiple client pain points associated with mobile application testing by eliminating the need to continually invest in new tools and test cases for each new device or platform and by enabling organizations to manage testing resources agilely across locations through a single portal."
- HCL has been positioned as a 'Leader' in The Forrester Wave™: North American Applications Outsourcing Services, Q1 2014 authored by William Martorelli, Forrester Research Inc.
- HCL has been rated as a 'Leader' in The Forrester Wave™: EMEA Application Outsourcing Services, Q1 2014 authored by William Martorelli, Forrester Research Inc.

developed a number of proprietary tools, including iMRO, SAP's endorsed solution for maintenance, repair and overhaul. iMRO empowers organizations in the aerospace, aviation and defence sectors with an industry leading solution for asset management and maintenance. The powerful solution supports organizations in the repair and management of critical multi-million dollar assets and has been built in partnership with SAP. Similarly, HCL's FinEdge solution has been designed exclusively for the wealth management industry providing a real-time comprehensive view of the customer and helping to reduce operating costs.

HCL recently unveiled two new propositions to meet the changing needs of the IT market, Digital Systems Integration (DSI) and ALT ASM. DSI is HCL's solution to the modern CEO's dilemma of how to transform the company from a traditional IT organization to a digital enterprise. The journey to become a digital enterprise is a large undertaking, but HCL offers a simple framework designed to help clients streamline their legacy IT landscapes to realize cost savings, migrate applications to the cloud, and reinvest savings in the implementation of new social, analytics and mobile technology. HCL's ability to transform a traditional business into a digital one allows the enterprise to continue to compete against newer companies that were essentially 'born digital'.

HCL's ALT ASM proposition goes beyond traditional application support and maintenance contracts. HCL's alternative approach to ASM takes ASM from a simple ticket resolution activity to a contractual commitment of service delivery and guaranteed operational gains for clients. HCL helps organizations build upon the best ideas of employees, eliminate non-value added activities and offer enhanced platform stability and zero downtime. This is supported by lean practices that lead to improved efficiency and HCL's proprietary tools provide increased visibility into the entire process, allowing for improved service quality and reduced incidents.

HCL's Applications Business will see rapid growth across all of its horizontal capabilities in the next year as it continues to develop new solutions and adapt existing service offerings in order to meet the ever changing needs of its clients.

Engineering and R&D Services

HCL's Engineering and R&D Services (ERS) business unit is the largest Indian engineering service provider and constitutes 16.2% of the company's overall revenues. HCL ERS business unit works with some of the most innovative and successful organizations in the world. With over two decades of experience of operating in complex multi-vendor environments and customer value chains, the business unit is able to seamlessly integrate into a customer's existing R&D activities.

HCL ERS offers end-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering to industry leaders across verticals like - Aerospace and Defence, Automotive, Consumer Electronics, Industrial Manufacturing, Medical Devices, Networking and Telecom, Office Automation, Semiconductors, Servers and Storage and Software Products. It successfully collaborates with other innovation partners, captive centers, universities, industry bodies and manufacturing partners.

HCL ERS understands that its success as an engineering partner depends on the success of its customers' products and solutions. HCL believes that business success today is the result of customer experiences. HCL ERS helps product and technology companies drive great engineering experiences to create significant business impact and value through accelerated product launches, improved engineering efficiencies and adoption of new and disruptive technologies. A deep engineering heritage, out-of-the-box thinking, and a solid foundation of talent, processes, systems, frameworks and tools, are just a few of the reasons why some of the largest global ESO (Engineering Services Outsourcing) partnerships are with HCL ERS. HCL has helped customers across industries achieve their business strategy through product engineering, platform solutions and the creation of unique engineering experiences.

Thought leadership has become one of the key differentiators as the industry moves up the value chain. HCL ERS is committed to create thought leadership in areas such as social media, medical devices, Product Lifecycle Management (PLM), gesture technology, etc. HCL practices it by encouraging bold thinking and disruptive approaches that are needed to help customers outperform in a rapidly changing digital economy.

HCL is not only involved in engineering complex and critical products for some of the largest corporations in the world, but also constantly pushing the boundaries of technology and defining new and differentiated ways to offer its services. One such differentiation is the suite of solutions which takes HCL developed best practices, IPs and accelerated frameworks and packages them into service offerings that solve critical and highly relevant business problems for customers.

Snapshot

- Constitutes 16.2% of HCL's revenues
- One of the largest global Engineering and R&D Services organizations in the world
- Offerings: End-to-end engineering services and solutions in hardware, embedded, mechanical and software product engineering
- Key differentiator: "Engineering Experiences" [E2]
- Industries served: Aerospace and defence, automotive, consumer electronics, industrial manufacturing, medical devices, networking and telecom, office automation, semiconductors, servers and storage and software products
- Executed faster product development with automated testing processes for world's largest anti-virus company
- Filed multiple patents in Mobility and Banking
- Key IPs: App Test Factory, Intelligent Sustenance Engineering, Interactive Electronic Technical Manuals, Platform Acceleration Suite, Intelligent Tech Support

HCL's solutions cater to engineering needs across the entire product development lifecycle and provide solutions that help the customer address challenges of accelerated product development, gaining a price to benefit ratio and adapting to new technologies. HCL is investing heavily in developing solutions to help clients impact the overall product ecosystem faster and better. Some of the focus areas of HCL's solutions include Mobility, Machine 2 Machine Platforms, Software as a Service model, Cloud, Natural User Interface, etc.

HCL is placed in the Leadership Zone by a leading analyst firm among the Automotive, Consumer Electronics, Computer Peripherals and Storage, ISV, Consumer Software, Medical Devices, Semiconductors, Cloud Computing, Enterprise Mobility and Aerospace and Defence R&D service providers. This is proof of the fact that HCL ERS is capable of performing Concept to Go-To-Market for the product and has significant investment in Lab infrastructure. There is niche capability across Engineering, Embedded and Software services. HCL ERS possesses a formal innovation culture, resulting in IPs and strategic innovations and plays a leadership role in alliances, leverage startups, specific academic research and co-creation with customers.

Business Services Division

HCL pioneered third party BPO in India by launching its BPO division in 2001. Today, HCL's Business Services division provides Next Generation BPO services to nearly 100 clients across various geographies and industries.

HCL's Business Services division has built its presence across multiple geographies with state-of-the-art BPO delivery centers (34 delivery centers across India, UK, USA, South America, East Europe, and APAC). HCL's Business Services division is equipped to offer Round the Clock services on a 'follow-the-sun' Global Delivery Model through a combination of offshore, near shore and onshore delivery centers.

Through its Business Services, HCL today provides domain oriented, transformation-led BPO solutions and services to Fortune 500/Global 2000 customers. Through its Vertical Business Services, HCL keeps its focus on Banking and Financial Services, Insurance and Healthcare. HCL's 'Enterprise function as a service' (EFaaS™) is a BPO-led offering which combines end-to-end business transformation and outcome/benefit realization. Through its Enterprise Business Services, HCL offers horizontal BPO services such as F&A, SCM, Product Support and HRO while combining its strengths in Applications, Infrastructure and Consulting to offer BPO led transformation services to enterprises across industries with a keen focus on delivery business outcome.

Snapshot

- BPO constitutes 5.1% of HCLT's revenues
- Offers Next Generation BPO services to global organizations, most of which are Fortune 500/Global 2000 companies
- Areas of focus
    - o Vertical Business Services: BFSI, Healthcare
    - o Enterprise Business Services: F&A, SCM, Product Support Services and Enterprise function as a service (EFaaS™)
- Scale of operations: Integrated Global Delivery across 34 BPO delivery centers in India, UK, USA, South America, East Europe and APAC
- Best in class BPO enablers across delivery, innovation and governance
- Flexible business models, including Output and Outcome based constructs
- Risk & Compliance to meet statutory and regulatory requirements
- A decade of industry experience and winner of several industry awards and recognitions
- Ranked in the Leaders Category of IAOP's 2014 Global Outsourcing 100
- ISG lists HCL as Leaders in both ITO and BPO Trailing 12 Months, 2014
- Exclusive case study titled 'HCL: Managing U.K. Bank Accounts for A European Bank' published by NelsonHall, 2014.
- Positioned in the Challengers quadrant in Finance & Accounting (F&A) BPO, Gartner 2014
- Star Performer and Major Contender in Banking BPO, Everest 2013
- Star Performer and Major Contender in Capital Markets BPO, Everest 2013
- Major Contender in Insurance BPO, Everest 2013
- Major Contender in Finance and Accounting Outsourcing, Everest 2013
- Major Player in Life Science R&D BPO, IDC 2013
- Market Leader in Legacy Policy Cost Reduction, Nelson Hall 2013

Risks and Concerns

1. **Treasury Related Risks**

    Risk

    The global financial position continues to remain volatile with wide swings in both directions in currencies impacting the IT industry. High volatility is likely to continue in the medium term with the added complexity of cross -currency movements.

HCL Strategy

As a risk containment strategy, HCL has taken hedges to protect its receivables and forecast revenues against the foreign currency fluctuations. This strategy is aimed at minimizing the risk against unfavorable movement of foreign currencies. The treasury department of the Company continues to track the foreign exchange movements and underlying currency exposures and takes advice from financial experts to decide its hedging strategy from time to time.

Further, there is an increased focus on Europe, Asia Pacific and Rest of the World for generating business which not only insulates from dependency on a single chosen economy but also ensures that the revenue streams are denominated in multiple currencies, thereby partially de-risking the currency fluctuations.

2. Employee related Risks

Risk

In the IT industry, the ability to execute projects, build and maintain client partnerships and achieve forecasted operating and financial results are significantly influenced by the organization's ability to hire, train and retain highly skilled IT professionals. The market continues to be highly competitive in attracting and retaining IT professionals and is further compounded by constraints on talent mobility due to changing regulatory requirements across geographies.

HCL Strategy

HCL's culture of ideapreneurship and management model of "Employee First, Customer Second" helps to build relationships beyond the contract with its clients and people. HCL continues to direct investments on practices that help the Company retain the right skilled professionals at the right place, right time and right cost by engaging and enabling employees to grow using the career performance, reward, learning and talent management practices. This effort is strengthened by empowering employees to operate with autonomy and exercising judgement. This strategy is influenced by many factors that are dynamic in nature and can cause challenges in execution.

3. Regulatory Compliance Risk

Risk

As HCL operates in a number of developing countries and is continuously adding new geographies, there is an increased risk of non-compliance to regulatory requirements.

HCL Strategy

HCL has put in place a comprehensive global regulatory compliance framework to track regulatory compliances globally. Detailed checklists are available with respective process owners to ensure compliance. In addition to this, quarterly compliance reviews are carried out, based on which compliance certificates are presented to the Board of Directors. The legal function helps in creating awareness of the regulatory framework and focuses on various local compliance - related aspects being faced by business entities in the respective countries.

4. Technology Related Risks

Risk

HCL operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes lest it faces technology obsolescence.

HCL Strategy

The Company is not dependent on any single technology or platform. HCL has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their needs.

The Company is not dependent on any single technology or platform. HCL has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their needs.

HCL leadership provides oversight through the Delivery & Operations Council to ensure that the business delivery teams adapt and sustain various technology transformation initiatives and frameworks by providing technical training and direction in addition to help them synergise across the organization.

- The Delivery Assurance team drives definition and implementation of new practices and frameworks for efficient and effective delivery of products and services.
- The Quality team drives continuous process improvement aligning with mature and evolving international process standards and certifications.
- The Tools team identifies appropriate tools, develops new tools and supports the tools deployed and also provides consulting and tools - related training to project teams.
- The Talent Development Group supports the Technical Training team (called TechCEED) which focuses on Competency Enhancement to continually upgrade the technical competency of delivery teams and manages the Learning Management System.

This Council works closely with vertical and horizontal Line of Business delivery units for adopting and implementing the latest technological enhancements in their respective domains. In addition to the in-house training and development initiatives, the Company keeps itself abreast and updated of the contemporary developments in the technology landscape through participation in key technology forums and conferences.

This structure ensures a consistent and sustained focus on improving quality, productivity and predictability of delivery governed by six principles - standardization, lean process, tools and automation, creating a pool of skilled people, ensuring appropriate dissemination and management of knowledge and continuous improvement.

5. Competition Related Risks

Risk

With the economic concerns and emergence of alternative delivery models such as the cloud, the market is becoming highly competitive and more and more aspirants are vying with each other for market share. The line is diminishing between the traditional IT services players and non-traditional players like telecom services providers, business consulting service providers, hardware and software providers and digital/ marketing agencies. MNC IT players are increasingly developing their offshore presence, levelling the playing field with Indian IT providers. Further, there is rising competition from local providers in regions such as Europe and new entrants in emerging geographies such as China, Philippines etc. Because of all these factors, customers have more choices of technology, alternative delivery models, vendors and new services models. Under this scenario, the risk of not innovating and differentiating enough could hurt the interests of the Company.

HCL Strategy

In an environment where traditional IT services are getting commoditized, HCL is responding through services innovation, business aligned Gen 2.0 propositions and an employee driven innovation culture. As the market shifts from traditional Gen 1.0 focus on cost to Gen 2.0 focused on business innovation, HCL has invested and introduced business aligned propositions such as ALT ASM™, EFaaS™ and DSI. Through this unique strategy, HCL is winning contracts away from major incumbents, as well as new contracts. This, coupled with an employee-driven organization, has helped HCL outpace industry growth over the past few years. HCL actively seeks partnerships with game changing players in emerging technologies such as the cloud and digital. These investments and partnerships provide HCL with the competitive edge to stay ahead.

6. Physical Security

Risk

Risk to human life and assets due to incidence of terror attacks remains a major risk for companies operating globally and particularly in certain affected parts of the world. The impact could be more on service companies as against manufacturing companies due to the former's manpower intensive business model and the greater time sensitivity of operations.

HCL Strategy

HCL Facilities are organized on a three tier physical security system based on an integrated security design comprising security infrastructure, CCTV surveillance and access control, supported by trained security manpower and robust security procedures. Well-coordinated protective response to diverse security threats is assured by ERTs (Emergency Response Teams), Facility Evacuation Plans and strengthening of Disaster Recovery and Business Continuity Plans (DR-BCP). These steps minimize the risk to human life and assets, and provide a high degree of assurance in continuity of operations with minimal disruptions.

In FY 2014, by consolidation of the smaller facilities into well planned and secured campuses, the ability to withstand and recover from deliberate attacks, accidents, or naturally occurring threats or incidents will increase, contributing to improved security and greater resilience.

To cater for Travel Security Risks, a comprehensive Travel Risk Management program is available to all HCL employees undertaking international business travel. The program provides worldwide medical, security and emergency assistance for the travel, as well as real-time medical and security information and advice on travel destinations.

7. Business Continuity and Information Security

Risk

HCL is in the business of developing, maintaining and operating mission-critical Business and IT applications and infrastructure for various global customers in multiple industries. Any natural or man-made catastrophe may disrupt business operations and cause irreparable damage to the brand and reputation of the Company and/or its customers and may result in loss of business. Similarly, confidentiality and security of confidential data also may pose risk of data leakage or loss.

HCL Strategy

HCL has put in place a comprehensive Business Continuity program to ensure that HCL meets its Business Continuity and Disaster Recovery related requirements as agreed with customers. Similarly, there is a global Risk and Compliance framework and Information Security team in place to assess and manage the Information Security, Data Privacy and related risks by leveraging the Company's people, processes & technology.

8. Internal Control Systems and their adequacy

The Company has put in place an adequate system of internal control commensurate with its size, geographic spread and nature of business. This provides reasonable assurance in respect of the integrity of financial and operational information, complying with applicable statutes, safeguarding the assets of the Company and ensuring compliance with corporate policies.

The Company has a dedicated Internal Audit team commensurate with the size, nature, geographic spread and complexity of operations of the Company. Internal Audit reports functionally to the Audit Committee of the Board, comprising 4 independent directors, which reviews and approves a risk based annual internal audit plan. The Audit Committee periodically reviews the performance of the internal audit function.

The Audit Committee also reviews Enterprise-wide risks at the organization level and monitors implementation of mitigation plans by the management.

The Company has a rigorous business planning system to set targets and parameters for operations, which are reviewed with actual performance to ensure timely initiation of corrective action, when required.

The Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This Committee reviews all quarterly and yearly results of the Company and recommends the same to the Board for its approval.

PERFORMANCE TREND

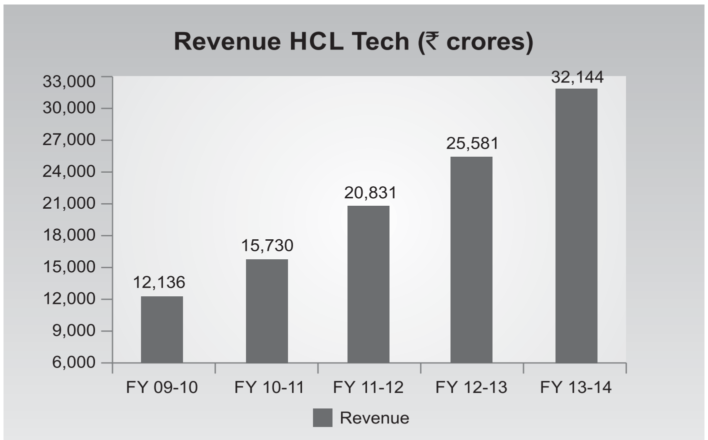
HCL Technologies Limited (HCL) is a leading Company in the IT / ITES space, offering a full array of services to its customers for pursuing growth opportunities and facing business challenges. HCL has demonstrated agility and adaptability to the changing business environment in providing innovative customer specific solutions, powered by best-in-class processes.

In its journey of business success and excellence, HCL Technologies Limited has created significant wealth for all its stakeholders.

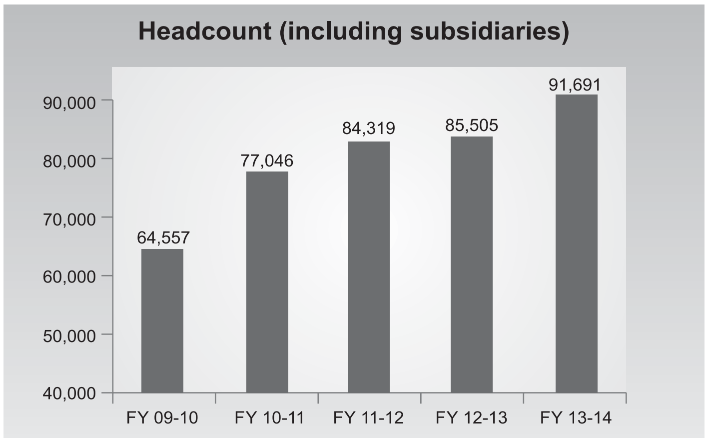
OPERATIONAL EXCELLENCE

Revenue trend

Revenues grew to a record high of ₹32,144 crores ($ 5.36 billion) in 2013-14, a rise of almost 2.6 times from 2009-10, a CAGR of 27.6%.

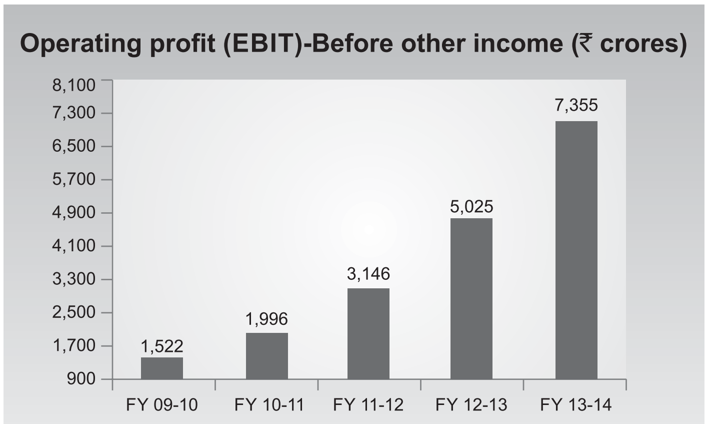


Headcount (including subsidiaries) has expanded by more than 1.4 times from 64,557 in 2009-10 to 91,691 in 2013-14.

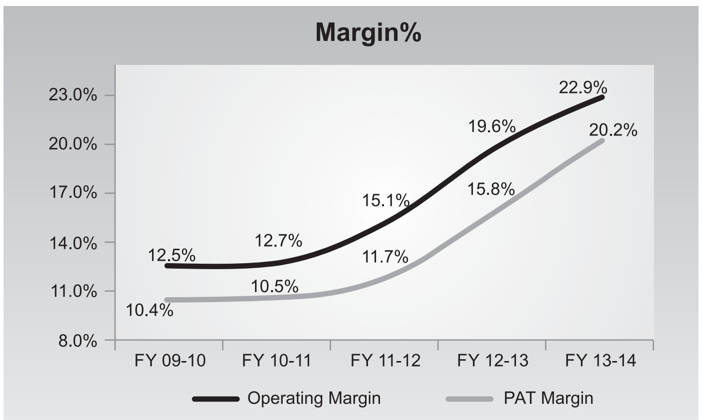


Earnings trends

Earnings before interest and tax (EBIT) excluding other income have grown by 4.8 times from ₹1,522 crores in 2009-10 to ₹7,355 crores in 2013-14, a CAGR of 48.3%.

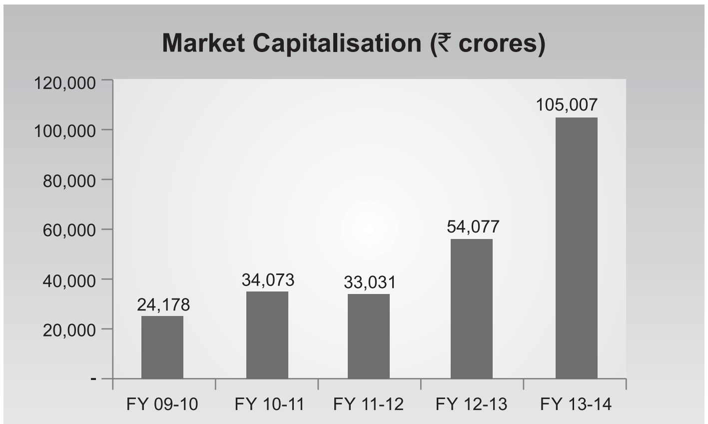


Operating profit (profit before interest and tax) has improved from 12.5% in 2009-10 to 22.9% in 2013-14.



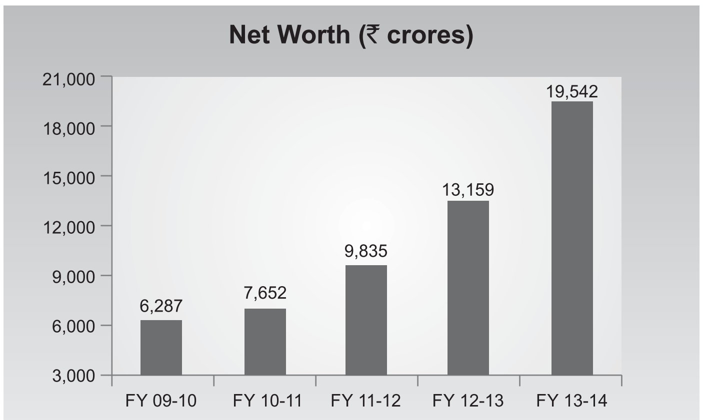
VALUE ADDITIONS SINCE FISCAL 2009

Market capitalization increased from ₹24,718 crores in fiscal 2009 to ₹105,007 crores in fiscal 2014.



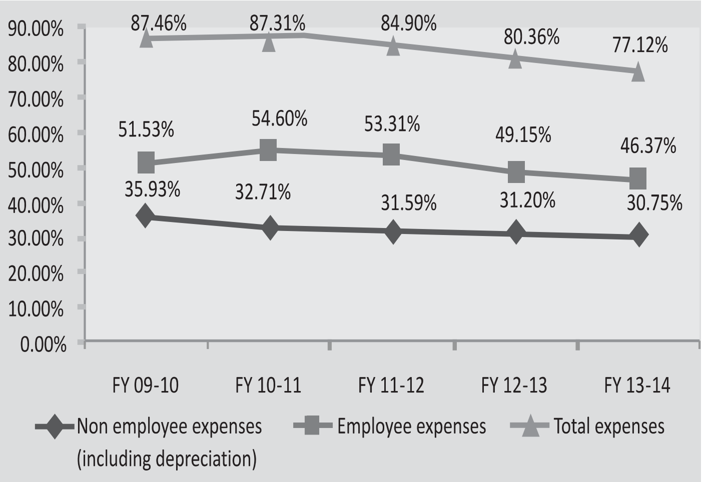
*Market Capitalization based on market rate as on 30 June of the respective financial year.

The net worth of the Company has more than trebled in the last 5 years.



Management of costs

The Company's continuous efforts to control and manage its costs have ensured that employee expenses in relation to revenue have remained steady. Sustained productivity drive is also reflected in steady decrease in non-employee costs as a percentage of revenue.



Customer Centricity

The Company's organizational structure and processes are designed to focus on customers. Ability to understand customers' needs and offer relevant solutions has resulted in significant growth in the number of customers and upward movement in revenue bands.

No. of Million Dollar Clients	Number of customers	
	Fiscal 2014	Fiscal 2009
100 Million dollar +	6	2
50 Million dollar +	15	4
40 Million dollar +	18	7
30 Million dollar +	37	8
20 Million dollar +	67	20
10 Million dollar +	114	43
5 Million dollar +	187	85
1 Million dollar +	429	253

FINANCIAL PERFORMANCE

The financial results of HCL under Indian GAAP are discussed below in two parts.

- Consolidated results of HCL and its subsidiaries, which includes the performance of subsidiaries, and of joint venture and associates of HCL. Preparation and presentation of such consolidated financial statements depicts comprehensively the performance of the HCL group of companies and is more relevant for understanding the overall performance of HCL.
- Standalone results of HCL.

Consolidated results of HCL Technologies limited:

This part of the Management Discussion and Analysis refers to the consolidated financial statements of HCL ("the Company" or "the Parent Company") and the subsidiaries, joint venture and associates referred to as "the Group". The discussion should be read in conjunction with the financial statements and related notes to the consolidated accounts of HCL for the year ended 30 June 2014.

Results of Operations (Consolidated):

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	%
Revenue from operations	32,144	100.0	25,581	100.0	25.7
Total Revenues	**32,144**	**100.0**	**25,581**	**100.0**	**25.7**
Cost of materials	1,029	3.2	959	3.7	7.3
Employee benefit expense	14,906	46.4	12,574	49.2	18.5
Other expenses	8,173	25.4	6,386	25.0	28.0
Depreciation and amortization expense	681	2.1	637	2.5	6.9
Total Expenditure	**24,789**	**77.1**	**20,556**	**80.4**	**20.6**
Profit before Finance cost, Other Income & Tax	**7,355**	**22.9**	**5,025**	**19.6**	**46.4**
Finance costs	115	0.4	106	0.4	8.4
Other income	677	2.1	351	1.4	92.9
Profit before tax	**7,917**	**24.6**	**5,270**	**20.6**	**50.2**
Provision for tax	1,410	4.4	1,226	4.8	14.9
Share of profit of associates	20	-	(0)	-	-
Minority interest	(18)	-	(4)	-	-
Profit after tax	**6,509**	**20.2**	**4,040**	**15.8**	**61.1**

Revenues:-

Revenues during fiscal 2014 have grown by 25.7% compared to fiscal 2013.

The Group derives its revenue from three segments viz Software service, IT Infrastructure services and Business Process Outsourcing services.

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	%
Software services	19,708	61.3	16,975	66.4	16.1
IT Infrastructure services	11,050	34.4	7,525	29.4	46.8
Business Process Outsourcing services	1,386	4.3	1,081	4.2	28.2
Total Revenue	**32,144**		**25,581**		**25.7**

Geography wise breakup of revenues

The Group also reviews its business on a geographic basis. The following table classifies total revenue by geographic areas:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	%
US	16,859	52.4	14,798	57.8	**13.9**
Europe	9,258	28.8	6,790	26.6	**36.4**
India	1,488	4.6	1,077	4.2	**38.2**
Rest of the World	4,539	14.2	2,916	11.4	**55.6**
Total Service Revenue	**32,144**		**25,581**		**25.7**

Employee benefit expense:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Salaries, wages and bonus	12,965	40.4	11,027	43.1
Contribution to provident fund and other employee funds	1,843	5.7	1,458	5.7
Staff welfare expenses	67	0.2	74	0.3
Employee stock compensation expense	31	0.1	15	0.1
Total	**14,906**	**46.4**	**12,574**	**49.2**

Employee benefit expenses have reduced from 49.2% of revenue in fiscal 2013 to 46.4% in fiscal 2014 driven by improved utilization of billable manpower and strengthening of USD, GBP, EURO and other currencies against INR.

The utilization of billable manpower improved from 82.9% in fiscal 2013 to 84.4% in fiscal 2014.

In absolute amounts, employee benefit expenses have increased to ₹14,906 crores in 2014 from ₹12,574 crores in 2013, an increase of 18.5%. The increase is primarily on account of :

a) Strengthening of USD, GBP, EURO and other currencies against INR resulting in higher cost for employees based outside India.

b) An increase in number of employees during the year, from a total of 85,505 at the end of fiscal 2013 to 91,691 at the end of fiscal 2014 and

c) An increase in average cost per employee due to normal salary revisions .

Other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Rent	358	1.1	328	1.3
Power & fuel	242	0.8	229	0.9
Travel and conveyance	1,402	4.3	1,137	4.4
Outsourcing cost	4,207	13.1	2,842	11.1
Communication costs	314	1.0	285	1.1
Recruitment training & development	181	0.6	109	0.4
Exchange differences	44	0.1	-	-
Others	1,425	4.4	1,456	5.8
Total	**8,173**	**25.4**	**6,386**	**25.0**

Other expenses as a percentage of revenue have increased from 25.0% in fiscal 2013 to 25.4 % in fiscal 2014, on account of increase in outsourcing cost.

Outsourcing costs include (a)outsourcing of several customer related activities e.g. hosting services, facilities management, disaster recovery, maintenance, break fix services, etc. in IT Infrastructure Division and (b)hiring of third party consultants from time to time to supplement the in house teams.

These costs increased to ₹4,207 crores in fiscal 2014 from ₹2,842 crores in fiscal 2013. The increase is mainly on account of :

a) Strengthening of USD, GBP, EURO and other currencies against INR resulting in increase in costs incurred outside India.

b) Increase in outsourcing activities in line with growth in revenues.

Profit before Finance cost, Other Income & Tax

The Group's operating profit has increased to ₹7,355 crores in fiscal 2014 from ₹5,025 crores in 2013, an increase of 46.4%.

Other Income

The details of Other Income are as follows:

(₹ in Crores)

Particulars	Year Ended June 30	
	2014	2013
Interest income	545	213
Dividend from investments	-	24
Profit on sale of current investments	58	16
Profit on sale of long term investment in Joint venture	-	27
Exchange differences	-	45
Profit on sale of fixed assets	48	-
Others	26	26
Total	**677**	**351**

Interest income increased from ₹213 crores in fiscal 2013 to ₹545 crores in fiscal 2014, due to the increase in the pool of treasury investments resulting from incremental cash flow.

Exchange differences

The Group derives over 95% of its revenues in foreign currencies while over 34% of its costs are incurred in INR. This exposes the Group to risk of adverse variation in foreign currency exchange rates.

Exchange rates for major currencies with respect to INR are given below:-

Average Rate	USD	GBP	EURO	AUD
For the year ended June 30,2014	61.53	100.47	83.69	56.24
For the year ended June 30,2013	54.89	85.98	71.14	56.06
Depreciation/(appreciation) (%)	12.1%	16.8%	17.7%	0.3%
Period Ended	**USD**	**GBP**	**EURO**	**AUD**
As at June 30,2014	60.19	102.62	82.20	56.54
As at June 30,2013	59.39	90.51	77.63	54.80
Depreciation/ (appreciation) (%)	1.3%	13.4%	5.9%	3.2%

The Group uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year, the Group had an exchange loss of ₹44 crores compared to a gain of ₹45 crores during the previous fiscal year. These exchange differences are on account of forward covers being marked to market and restatement of foreign currency assets and liabilities.

The Group follows cash flow hedge accounting in respect of forward covers and options to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on those forward covers where cash flow hedge accounting is followed and the hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date are recognized directly in the hedging reserve account under 'Shareholders Funds'. Total unrealized exchange loss (net of tax) recognized in hedging reserve as at 30 June, 2014 is ₹210 crores as compared to a loss of ₹489 crores as at 30 June, 2013.

TAXATION

The tax expense for 2014 was ₹1,410 crores compared to ₹1,226 crores in 2013. Tax expense as a percentage of profit before tax has reduced from 23.3% in the prior year to 17.8% in fiscal 2014.

Tax expense as a percentage of profit before tax has reduced mainly on account of:

a) Increase in the share of profit arising in tax exempt SEZ locations in India.

b) Write off of Minimum Alternate Tax (MAT) credit of ₹70 crores during the previous year.

FINANCIAL POSITION

Share capital:-

Authorized Share Capital of ₹150 crores consists of 750,000,000 equity shares of ₹2 each, ₹140.0 crores is paid up as at the period end. During the year, employees exercised 736,100, 1,207,944 and 1,162,480 equity shares under the employee's stock options plans 1999, 2000 and 2004 respectively. Accordingly, issued, subscribed and paid up capital increased by 3,106,524 equity shares and share capital increased by ₹0.63 crores during the year.

Reserves and Surplus:-

Consolidated reserves and surplus of the Group stood at ₹19,402 crores as at 30 June 2014 (earlier year ₹13,020 crores).

Borrowings:-

The Company has outstanding borrowings of ₹1,018 crores as at 30 June 2014 (earlier year ₹1,044 crores). Borrowings include 8.80% secured redeemable non-convertible debentures of ₹500 crores (earlier year ₹500 crores) which are redeemable on September 10, 2014.

Fixed Assets:-

The Group has added of ₹1,108 crores during 2014 to the gross block of fixed assets which mainly comprises computers, software, office equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2014 stood at ₹11,374 crores and capital work - in - progress stood at ₹531 crores (earlier year ₹10,195 crores and ₹494 crores respectively).

The Group is in the process of developing facilities in its campuses at NOIDA, Chennai, Bangalore and Manesar. These campuses are spread over a combined area of 133 acres. 43,673 seats have already become operational at these campuses and 25,939 seats are under development. All these campuses, excluding Manesar, are approved SEZ locations.

During the year, the Group has sold a building at a gross consideration of ₹55 crores and accordingly have recognized a gain of ₹47 crores (earlier year ₹NIL).

Treasury Investments:-

The guiding principles of the Group's treasury investments are safety, liquidity and return. The Group has efficiently managed its surplus funds through careful treasury operations.

The Group deploys its surplus funds in fixed deposits with banks and corporations and debt mutual funds, with a limit on investments with any individual bank/fund.

(₹ in crores)

Particulars	2014	2013
Debt Mutual Funds	394	583
Bonds	212	94
Fixed Deposits with Banks	7,780	2,856
Inter corporate deposits with HDFC Limited.	571	742
Total	**8,957**	**4,275**

Current Liabilities:-

Current liabilities have increased by ₹1,768 crores (₹7,474 crores in fiscal 2013 to ₹9,241 crores in fiscal 2014); the increase is mainly on account of:-

a) Increase in liability by ₹946 crores related to supplier credit (₹1,600 crores in fiscal 2014 and ₹654 crores in fiscal 2013)

b) Increase in current maturities of long term debt by ₹492 crores, mainly due to 8.80% secured redeemable debentures of ₹500 crores redeemable in September 2014, classified as current maturities of long term loan from long term loans.

c) Increase in liability for expenses by ₹343 crores (₹2,118 crores in fiscal 2014 and ₹1,776 crores in fiscal 2013)

d) Advance for sale of building ₹180 crores received in fiscal 2014.

e) Increase in Accounts Payable by ₹67 crores(₹468 crores in fiscal 2014 and ₹401 crores in fiscal 2013)

Current Assets:-

Current assets, excluding treasury investments, and cash and bank balances increased by ₹1,658 crores (₹7,687 crores in fiscal 2013 to ₹9,345 crores in fiscal 2014); the increase is mainly on account of increase in trade receivables by ₹1,186 crores and unbilled receivables by ₹318 crores.

CASH FLOWS

A summary of the cash flow statement is given below :

(₹ in crores)

	2014	2013
Cash and cash equivalents at the beginning of the year	721	677
Net cash generated from operating activities	6,456	4,492
Net cash flows used in investing activities	(4,840)	(2,354)
Net cash flows used in financing activities	(1,308)	(2,086)
Effect of exchange differences on cash and and cash equivalents held in foreign Currency	(2)	(8)
Cash and cash equivalents at the end of the period	1,027	721

Cash flow from operations

(₹ in crores)

	2014	2013
Operating profit before working capital changes	8,146	5,905
Effect of working capital changes	(244)	(149)
Cash generated from operations	**7,902**	**5,756**
Tax payments made	(1,445)	(1,264)
Net cash generated from operating activities	**6,457**	**4,492**

Backed by higher profitability and better working capital management, cash flow from operating activities increased by 43.76% from ₹4,492 crores in fiscal 2013 to ₹6,457 crores in fiscal 2014.

Cash flow from investing activities

(₹ in crores)

	2014	2013
Purchase of fixed assets (net)	(479)	(617)
Sale / (purchase of investments)	245	(662)
Proceeds from sale of stake in Joint Venture	-	66
Proceeds from sale of business	-	197
Redemption / maturity of deposits (net) with banks and corporation having maturity over three months	(4,923)	(1,484)
Interest and dividend income	501	199
Taxes paid	(184)	(53)
Net cash used in investing activities	**(4,840)**	**(2,354)**

In fiscal 2014 the Group used ₹4,840 crores for investing activities (₹2,354 crores in fiscal 2013). The significant items of investing activities are:-

- Fixed deposits with banks (net) with maturities greater than 3 months of ₹4,923 crores have been invested in fiscal 2014 (₹1,484 crores in fiscal 2013).
- Interest on deposits and dividends on investment in mutual funds received in fiscal 2014 of ₹501 crores (₹199 crores in fiscal 2013).

Cash flow from financing activities

(₹ in crores)

	2014	2013
Proceeds from issue of share capital	34	34
Repayment of debentures	-	(330)
Dividend paid (including dividend distribution tax)	(1,303)	(808)
Proceeds from borrowings (net)	51	(898)
Interest paid	(54)	(75)
Principal payment for finance lease obligations	(36)	(9)
Net cash used in financing activities	**(1,308)**	**(2,086)**

In fiscal 2014 the Group used ₹1,308 crores in financing activities (₹2,086 crores in fiscal 2013). The significant items of investing activities are:-

- Payment of dividends including taxes of ₹1,303 crores (₹808 crores in fiscal 2013).
- Proceeds from borrowings (net) of ₹51 crores in fiscal 2014 (Repayment of borrowing including debentures of ₹1,228 crores in fiscal 2013).

Standalone results of HCL Technologies Limited:

The Consolidated Financial Statements bring out comprehensively the performance of the Group and are more relevant for understanding the Group's performance.

The discussion in the paragraphs which follow should be read in conjunction with the financial statements and related notes relevant to the standalone results of HCL Technologies Limited (herein referred to as "HCL" or "the Company") for the year ended 30 June 2014.

RESULTS OF OPERATIONS (STANDALONE)

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	%
Revenue from operations	16,497	100.0	12,518	100.0	31.8
Total Revenues	**16,497**	**100.0**	**12,518**	**100.0**	**31.8**
Cost of materials	410	2.5	259	2.1	58.0
Employee benefit expenses	5,124	31.1	4,629	37.0	10.7
Other expenses	3,652	22.1	3,039	24.3	20.2
Depreciation and amortization expense	491	3.0	442	3.4	11.0
Total Expenditure	**9,677**	**58.7**	**8,369**	**66.8**	**15.6**
Profit before finance cost, other income & tax	**6,820**	**41.3**	**4,149**	**33.2**	**64.4**
Finance costs	82	0.5	76	0.6	6.8
Other income	659	4.0	378	3.0	74.2
Profit before tax	**7,397**	**44.8**	**4,451**	**35.6**	**66.2**
Provision for tax	1,413	8.5	840	6.7	68.2
Profit for the year before impact of scheme of arrangement relating to earlier period	**5,984**	**36.3**	**3,611**	**28.9**	**65.7**
Impact of scheme of arrangement relating to earlier period	-	-	94	0.7	-
Profit after tax	**5,984**	**36.3**	**3,705**	**29.6**	**61.6**

FISCAL 2014 COMPARED TO FISCAL 2013

Revenues:-

Revenues during fiscal 2014 have grown by 31.8 % compared to fiscal 2013.

The Company derives its revenue from three segments viz Software services, IT Infrastructure services and Business Process Outsourcing services.

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended June 30				Growth
	2014	%	2013	%	%
Software services	10,143	61.5	8,269	66.1	22.7
IT Infrastructure services	5,478	33.2	3,549	28.3	54.4
Business Process Outsourcing services	876	5.3	700	5.6	25.3
Total Revenue	**16,497**		**12,518**		**31.8**

Employee benefit expense:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Salaries, wages and bonus	4,861	29.5	4,407	35.3
Contribution to provident fund and other funds	194	1.2	166	1.3
Staff welfare expenses	38	0.2	41	0.3
Employee stock compensation expense	31	0.2	15	0.1
Total	**5,124**	**31.1**	**4,629**	**37.0**

Employee benefit expenses have reduced from 37.0% of revenue in fiscal 2013 to 31.1% in fiscal 2014 driven by improved utilization of billable manpower and strengthening of USD, GBP, EURO and other currencies against INR.

In absolute amounts, employee benefit expenses have increased to ₹5,124 crores in 2014 from ₹4,629 crores in 2013, an increase of 10.7%. The increase is primarily on account of :

a) Increase in number of employees during the year from a total of 69,357 at the end of fiscal 2013 to 73,528 at the end of fiscal 2014.

b) An increase in average cost per employee due to normal salary revisions.

Other expenses:-

(₹ in Crores)

Particulars	Year Ended June 30			
	2014	%	2013	%
Rent	207	1.3	205	1.6
Power & fuel	205	1.2	201	1.6
Travel and conveyance	700	4.2	619	4.9
Communication costs	118	0.7	109	0.9
Recruitment training & development	76	0.5	56	0.4
Exchange differences	12	0.1	-	-
Outsourcing cost	1,619	9.8	1022	8.2
Others	715	4.3	827	6.6
Total	**3,652**	**22.1**	**3,039**	**24.3**

Other expenses as a percentage of revenue have reduced from 24.3% in fiscal 2013 to 22.1% in fiscal 2014.

In absolute amounts, other expenses have increased to ₹3,652 crores in 2014 from ₹3,039 crores in 2013, an increase of 20.2%, mainly caused by:

a) Strengthening of USD against INR resulting in increase in costs incurred outside India.

b) Increase in outsourcing activities in line with growth in revenues.

Profit before Interest, Other Income & Tax:-

The Company's operating profit has increased to ₹6,820 crores in fiscal 2014 from ₹4,149 crores in 2013, an increase of 64.4%.

Other Income:-

The details of other income are as follows:-

(₹ in Crores)

Particulars	Year Ended June 30	
	2014	2013
Interest income	533	181
Dividend from investments	-	21
Profit on sale of current investments	50	16
Profit on sale of long term investment in Joint venture	-	56
Exchange differences	-	60
Others	76	45
Total	**659**	**379**

Interest income increased from ₹181 crores in fiscal 2013 to ₹533 crores in fiscal 2014 due to increase in the pool of treasury investments resulting from incremental cash flow.

The Company derives almost the entire revenues in foreign currencies while almost all the costs are incurred in INR. This exposes the Company to risk of adverse variations in foreign currency exchange rates. The Company uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year the Company had an exchange loss of ₹12 crores compared to a gain of ₹60 crores in the previous year. These exchange gains are on account of forward covers marked to market and restatement of foreign currency assets and liabilities.

The Company follows cash flow hedge accounting in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on those forward covers where cash flow hedge accounting is followed and the hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax) that are designated and effective as hedges of future cash flows as on the balance sheet date are recognized directly in the hedging reserve account under 'shareholders funds'. Total unrealized exchange loss (net of tax) recognized in hedging reserve as at 30 June, 2014 is ₹210 crores as compared to ₹489 crores as at 30 June, 2013.

Taxation:-

The net tax expense for 2014 was ₹1,413 crores compared to ₹840 crores in 2013. Tax expense as a % of profit before tax is 19.1% for fiscal 2014 as compared to 18.9% in fiscal 2013.

FINANCIAL POSITION

Borrowings:-

The Company has outstanding borrowings of ₹569 crores as at 30 June 2014 consisting of:-

- 8.80% Secured redeemable non-convertible debentures of ₹10 lacs each for ₹500 crores (earlier year ₹500 crores) redeemable on 10 September, 2014.

Fixed Assets:-

The Company has made additions of ₹1000 crores during 2014 in the gross block of fixed assets which mainly comprises computers, software, office equipments and investment in facilities. Gross block of fixed assets as at the end of fiscal 2014 stood at ₹4,921 crores and capital work-in-progress stood at ₹518 crores (earlier year ₹4,146 crores and ₹488 crores respectively).

Treasury Investments:-

The guiding principles for the Company's treasury investments are safety, liquidity and return. The Company has efficiently managed its surplus funds through careful treasury operations.

The Company deploys its surplus funds primarily in fixed deposits with banks and corporations and debt mutual funds, with a limit on investments with any individual fund/bank.

(₹ in crores)

Particulars	2014	2013
Debt Mutual Funds	344	402
Bonds	212	94
Fixed Deposits with Banks	7,671	2,653
Inter corporate deposits with HDFC Limited	564	681
Total	**8,791**	**3,830**

CASH FLOWS

Cash Flows from Operating Activities:-

Cash generated from operations provides the major source of funds for the growth of the business. Net cash provided by operating activities was ₹6,147 crores and ₹4,170 crores in fiscal 2014 and 2013 respectively.

Cash Flows from Investing Activities:-

In fiscal 2014, an amount of ₹605 crores was invested in fixed assets.

Cash Flows from Financing Activities:-

Cash flows from financing activities in the year showed an outflow of ₹1,398 crores against an outflow of ₹1,175 crores in 2013. These amounts include payments of final and interim dividends (including corporate dividend tax) amounting to ₹1,303 crores (earlier year ₹808 crores).

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting this **Twenty Second Annual Report** together with the Audited Accounts for the year ended June 30, 2014.

FINANCIAL RESULTS

The financial results of your Company prepared for the financial year ended June 30, 2014 are summarized as under:

(₹ in crores)

	Consolidated		Standalone	
	2014	**2013**	**2014**	**2013**
Total Income	**32,821.06**	**25,932.17**	**17,156.49**	**12,896.66**
Total Expenditure	**24,903.73**	**20,662.28**	**9,758.83**	**8,445.46**
Profit before tax	**7,917.33**	**5,269.89**	**7,397.66**	**4,451.20**
Provision for tax	(1,409.57)	(1,225.31)	(1,413.04)	(840.02)
Share of profit (loss) of associates	20.06	(0.21)	-	-
Share of profit of minority interest	(18.31)	(4.28)	-	-
Impact of scheme of amalgamation relating to earlier period	-	-	-	93.54
Profit for the period	**6,509.51**	**4,040.09**	**5,984.62**	**3,704.72**
Balance in Statement of Profit and Loss brought forward	8,305.19	5,390.28	6,597.12	3,185.77
Transfer from debenture redemption reserve due to redemption of debentures	-	330.00	-	330.00
Surplus acquired under the scheme of amalgamation	-	-	-	831.81
Amount available for appropriation	**14,814.70**	**9,760.37**	**12,581.74**	**8,052.30**
Appropriations				
Dividend and Corporate dividend tax	813.66	975.18	813.66	975.18
Transfer to general reserve	600.00	380.00	600.00	380.00
Transfer to debenture redemption reserve	100.00	100.00	100.00	100.00
Balance carried forward to the balance sheet	**13,301.04**	**8,305.19**	**11,068.08**	**6,597.12**

COMPANY'S PERFORMANCE OVERVIEW

On a standalone basis, the Company achieved revenue of ₹17,156.49 crores in the financial year 2013-14 as compared to ₹12,896.66 crores in the financial year 2012-13 registering a growth of 33.03% and the profit for the financial year 2013-14 is ₹5,984.62 crores in comparison to ₹3,704.72 crores in financial year 2012-13 registering a growth of 61.54%.

On a consolidated basis, the Company achieved revenue of ₹32,821.06 crores in the financial year 2013-14 as compared to ₹25,932.17 crores in the financial year 2012-13 registering a growth of 26.57% and the profit for the financial year 2013-14 is ₹6,509.51 crores in comparison to ₹4,040.09 crores in financial year 2012-13 registering a growth of 61.12%.

DIVIDEND

During the year under review, your directors had declared and paid three interim dividends as per the details given hereunder:

Sl. No.	**Interim dividend paid during the year ended June 30, 2014**	**Rate of dividend per share (face value of ₹2 each)**	**Amount of dividend paid**	**Dividend Distribution tax paid by the Company**	**Total Outflow**
			(₹ in crores)		
1.	1st Interim Dividend	₹2	139.66	23.73	163.39
2.	2nd Interim Dividend	₹4	279.63	41.92	321.55
3.	3rd Interim Dividend	₹4	279.79	47.55	327.34

The total amount of dividend paid for the year ended June 30, 2014 was ₹699.08 crores. Dividend distribution tax paid by the Company for the year amounted to ₹113.2 crores.

The Board of Directors in its meeting held on July 29-31, 2014 has declared an interim dividend of ₹12 per equity share of face value of ₹2 each for the financial year 2014-15.The Directors did not recommend final dividend for the year ended June 30, 2014.

TRANSFER TO RESERVES

For the year ended June 30, 2014, on a standalone basis, your Company has transferred ₹600 crores to the General Reserve Account. An amount of ₹100 crores have been transferred to the Debenture Redemption Reserve Account. As on June 30, 2014, the balance available in the Debenture Redemption Reserve Account was ₹500 crores for redemption of the outstanding debentures repayable on September 10, 2014.

SUBSIDIARIES

During the year under review, the Company has incorporated the following step down subsidiaries:-

Sl. No.	Name of the Subsidiary	Place of Incorporation
1.	HCL Technologies UK Limited	United Kingdom
2.	HCL Technologies B.V.	Netherlands
3.	HCL Technologies Germany GmbH	Germany
4.	HCL (Ireland) Information Systems Limited	Ireland
5.	HCL Technologies Belgium BVBA	Belgium
6.	HCL Technologies Sweden AB	Sweden
7.	HCL Technologies Finland Oy.	Finland

The Company has a Joint Venture namely State Street HCL Holdings (UK) Limited with State Street International Holdings, USA in which the Company holds 49%. The JV entity has formed a subsidiary named Street HCL Services (Philippines) Inc. in Philippines during the year.

The Company has 62 subsidiaries as on June 30, 2014. There has been no material change in the nature of the business of the subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, a general exemption has been granted to the companies from annexing the individual accounts of all the subsidiaries along with the audited financial statements of the Company while publishing the Annual Report subject to certain conditions as mentioned in the said circular. Your Company meets all the conditions stated in the aforesaid circular and therefore the standalone financial statements of each subsidiary are not annexed with the Annual Report for the year ended June 30, 2014.

The audited consolidated financial statements of the Company and its subsidiaries are attached in the Annual Report. A statement containing brief financial details of all the subsidiaries of the Company for the year ended June 30, 2014 forms part of the Annual Report.

The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

CHANGES IN CAPITAL STRUCTURE

Issue of shares under Employees Stock Option Plans

During the year ended June 30, 2014, the Company allotted 31,06,524 equity shares of ₹2 each fully paid up under its Employees Stock Option Plans. This constitutes 0.44% of the total paid up share capital of the Company as on June 30, 2014. As a result of this, the issued, subscribed and paid-up share capital of the Company has increased from ₹139,37,39,714 to ₹139,99,52,762 during the year ended June 30, 2014.

DEBENTURES

During the financial year ended June 30, 2014, the Company has not redeemed any debentures.The details of the debentures issued, redeemed and outstanding are given hereunder:

Date of Issue	Amount (₹ in crores)	Coupon Rate (Payable quarterly)	Maturity Date	Redeemed on
August 25, 2009	170	7.55%	August 25, 2011	August 25, 2011
August 25, 2009	330	8.20%	August 25, 2012	August 25, 2012
September 10, 2009	500	8.80%	September 10, 2014	-

A debenture trust deed in favor of IDBI Trusteeship Services Limited for the aforesaid issues was executed. The debentures are secured by way of mortgage(s) and / or charges on the specific movable / immovable properties of the Company whether existing / future. The said debentures have been listed on Wholesale Debt Segment of the National Stock Exchange of India Limited. The Company has paid the interest due on the aforesaid debentures on time and nothing is payable as on date.

CORPORATE GOVERNANCE AND MANAGEMENT'S DISCUSSION AND ANALYSIS

As per clause 49 of the Listing Agreement entered into with the Stock Exchanges, Corporate Governance Report titled 'Corporate Governance Report 2013-14' alongwith the Statutory Auditor's certificate thereon and Management's Discussion and Analysis are attached and form part of this Report.

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India ("SEBI") vide its circular dated August 13, 2012 has mandated inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 100 listed companies. Pursuant to these provisions if a listed Company publishes the sustainability report based on internationally accepted reporting framework along with a mapping of the BRR as stated in the SEBI Circular, it would be treated as sufficient compliance of the aforesaid circular.

For the financial year 2013-14, as the Company has prepared its sustainability report based on the internationally accepted reporting framework and the principles stated under the aforesaid SEBI circular have been mapped with the sustainability report, no separate report has been prepared by the Company. The Sustainability Report as well as mapping as stated above is available on our website at http://www.hcltech.com/socially-responsible-business.

INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2011, as amended from time to time, the code of conduct for prevention of insider trading and the code for corporate disclosures are in force.

DIRECTORS

Mr. Vineet Nayar (DIN 02007846) and Mr. Subroto Bhattacharya (DIN 00009524), Directors of the Company who were liable to retire by rotation in the 21st Annual General Meeting of the Company held on December 27, 2013 had expressed their unwillingness to seek re-appointment as Directors of the Company. Accordingly, Mr. Nayar and Mr. Bhattacharya were not re-appointed as Directors and it was resolved not to fill the vacancies so caused.

As per the provisions of Section 152 (6) of the Companies Act, 2013 one third of such of the directors for the time being as are liable to retire by rotation, shall retire by rotation at the ensuing Annual General Meeting and shall be considered for re-appointment.

AUDITORS

The Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be re-appointed. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the limits prescribed under section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the said section. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors for a period of five years subject to ratification of their appointment by members at every Annual General Meeting.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, the dividend amounts which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to section 205C of the said Act. The details of unpaid/unclaimed dividend that will be transferred to IEPF A/c in subsequent years are given in the corporate governance section of the Annual Report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits.

AWARDS AND RECOGNITIONS

As your Company pursues excellence relentlessly, your Company is delighted to receive phenomenal share of recognitions and awards this year, not just from the media, but also from analysts, governing bodies, academic institutions, partners and even customers. Some of the key accolades received during the year include:

- Prestigious CNBC-TV 18's India Business Leader Award for 'Outstanding Company of the Year - Penultimate award in corporate excellence'.
- PHD Chamber Good Corporate Citizen Award 2013 by PHD Chamber of Commerce and Industry.
- Mr. Anant Gupta, President & CEO, HCL Technologies has received the '2014 Women's Empowerment Principles (WEPs) Leadership Award - 7 Principles' for developing and implementing a comprehensive internal and external strategy based on the WEPs' seven principles for advancing and empowering women in the workplace, marketplace and community.
- 'Best Governed Company Award' by Asian Centre for Corporate Governance and Sustainability at the Asia Business Responsibility Summit 2014. This award is an acclaimed recognition for corporate practicing best corporate governance norms in both letter and spirit.
- 'Diamond and Gold Awards for marketing excellence' in November 2013 by IT Services Marketing Association (ITSMA), the leading marketing association for technology, communications and professional service providers.
- 'CRY Best Employee Engagement Award' for the most impactful employee engagement program to address Child Rights issue for its "Power of One" initiative.
- Recognition as one of Britain's Top Employer for the eighth consecutive year for its employee friendly HR policies and practices.
- Named as a leader in innovation in the Nordic region. This accolade comes as part of a 2013 Nordic IT Outsourcing Service Provider Satisfaction and Performance Survey by KPMG.
- For the fourth consecutive year, HCL has made it to the prestigious annual '2013 Asia's fab 50' list.

SUSTAINABILITY

Responsible corporate citizenship has been a part of our core values and sustainability has been the driving factor in many of our initiatives. Today, the sustainability office runs a multi-layered corporate program to drive our sustainability vision. We partner with multiple stakeholders to form an inclusive working group to create policies, processes and other organizational measures. We believe that responsible investments in sustainability will generate long term value for all our stakeholders by improving competitiveness and reducing risk.

In our everyday practice as a 'Responsible Business' we focus Value-centricity and Trust through transparency.The initiative taken by the Company on sustainability are given in detail in the sustainability report for the year 2013-14 which is being hosted on the website of the Company.

ORGANIZATION'S EFFECTIVENESS

The Company sees the changing landscape and market conditions as an opportunity to build leadership in the information technology services space, through creation of robust business and people models to enhance its share of the customer wallet.

The Organization Effectiveness function is currently engaged in creating mature people models to leverage human capabilities, thereby generating higher value at the customer-employee interface, which would propel the Company into the next phase of growth globally. It includes Program First, Smart Survey and Talent Management:

Program First

Your Company focuses constantly on reassessing, refreshing and reinventing the organizational and individual capabilities so that it continues to offer a distinctive experience to its employees as well as to its customers.Your Company is on an accelerated journey to enhance the employment experience of its people and create new benchmarks.

In the same light Program FIRST (Future-ready Initiatives for Results and Smart Transformation) was initiated. Program First introduced practices that enable, empower and engage the Company ideapreneurs to drive organization to success in the future. It introduces enhancements to the career, performance, reward, talent, and learning management practices within the organization. Successful implementation and follow through of Program FIRST resulted in tighter coupling of Career, Performance, Talent and Learning Processes around a role based organization.

Smart Survey

Smart Survey is a process of collating effective, constructive and integrated feedback from the employees in an organization that is crucial to the ongoing development and growth of individuals as well as the organization. The tool is built around the 3 key pillars - self, my managers and work environment.

Talent Management

Your Company has always believed its people to be the source of value and have followed formal talent appreciation processes geared to ensure that it has the capability, both capacity and ability, to do what it has committed to do in the immediate and more medium term future. Build / Buy / Secure / Reward / Progress / Invest decisions were taken as a result of this effort. It has also used the occasion to move leaders from one service line to another.

The High Potential employees identified in Talent Reviews have been invited to participate in a rigorous development program for 6-18 months internally called TOPGUN, now in its 5th edition. The program consists of extensive action learning, coaching and self-reflection as well as opportunities to build networks with peers and executives from across the organization. This program is already generating a healthy pipeline of leadership for the organization.

Your Company instituted the CEO club to recognize individuals who had made significant contribution to the success of the Company in a financial year. 78 Middle managers across the world and across functions were chosen for the FY-12-13 performance contribution and received a "luxury car" as a mark of recognition of their achievements.The O-infinity awards, now an annual feature recognized the top performers from the entry to manager career levels across the world through various events anchored by our leadership thanking employees and their families for making the Company successful.

IDEAPRENEURSHIP

Building the Ideapreneurship Culture

Born in 2005 the Employee First Customer Second (EFCS) approach questioned the traditional top down approach and brought the spotlight back on those who created value for the organization - the employee as a catalyst of change. The way any employee creates value centricity is through the power of innovative thinking. EFCS brought the employees' belief in change, transformation and value centricity which led them to exercise their license to ideate and take advantage of the freedom to decide and act. As a result of it, the culture of ideapreneurship emerged that supports grass-root programs which helps in value creation. Your Company has built programs and platforms that capture small but powerful ideas or grassroot innovations of employees. The continued business growth of your Company, even during the dynamic market situations, is resultant of its culture - ideapreneurship, that empowered its employees and gave them the freedom to ideate, that returned value to customers which were beyond what was the contractual ask.

Reward and Recognition

Your Company recognizes teams and individuals who have contributed to building value for clients through the power of simple ideas by 'Ideapreneur Awards'. Simultaneously, employees are co-rewarded by clients on their ideas which are rated by clients and implemented resulting in hundreds of dollars in savings for clients.

Developing Leader Involvement

Your Company has successfully brought together top leaders to contribute to the ideation process by introducing 'dollar impact of ideation on revenue' as a key account performance measure. This has led to ideapreneurs being in focus in most internal or client reviews, thus creating leadership momentum and sponsorship to sustain the culture of ideapreneurship.

Ideapreneurship has been featured as a case study in the Cambridge University Students' Union (CUSU) publication titled Strategies for Success.

RELATIONSHIP BEYOND THE CONTRACT

Your Company's approach to engagement can be best described by the word 'Relationship'. When your Company signs a contract, it commits to much more than just the Statement of Work because of its belief that an engagement cannot be scripted in any contract to make it a truly worthwhile. Your Company believes in a simple thing called values. A contract can safeguard all that is within the span of control but in today's uncertain world where business and macro environment are seeing new challenges and undergoing changes every day, your Company believes that its value of Trust, Transparency and Flexibility fuelled by its philosophy of 'Employees First' will ensure a continued defense of its customers' interests.

Your Company does not use contracts to save its skin. Your Company believes in taking every relationship beyond the contract by putting its own skin in the game through collaboration, applied innovation and new generation partnership models that put its customers' interests above all. 'Relationship Beyond the Contract' is a spirit that is alive in its Ideapreneurs who are passionate about only one thing that is making the customers' business more efficient through everyday innovation.

TALENT DEVELOPMENT

Learning and Leadership are the most sustainable sources of competitive advantage in our industry, today. As the war for talent continues, leveraging and optimizing learning for stronger performance is the critical need of the time. In the knowledge based economy, creating a learning environment helps address talent gaps, generate ideas, and ultimately leads to an engaged workforce.

Talent Development is the learning Ecosystem of the Company that actively supports holistic employee development through a combination of Technical, Behavioral, Leadership and specialized Domain training. These learning interventions touch the employee from day one in the Company and continue through the employees' tenure to offer holistic learning programs. Further, the programs are designed on blended delivery mode, i.e., classroom, webinars, e-learning, podcasting, e-books and projects, to create comprehensive learning opportunities for a global workforce.

There are over 25+ programs for behavioral training and a long list of technical training programs available across these Academies engaging employees from freshers right up to senior leadership. These are designed to impact key business outcomes and supported by content that is, often, created in partnership with world class training organizations. The Company's learning approach is unique, as it connects to the career road map of employees by allowing them to take charge of their individual learning needs and sharpen the desired competencies in their current and future roles.

Talent Development is also deeply engaged directly with customers to understand their training needs for teams that work on the project - to provide in time training solutions, which has been highly applauded by many of your valued clients.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures of particulars as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to the extent applicable to your Company, are set out in Annexure 1 to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

A statement of responsibility of the Directors relating to compliance with the financial accounting and reporting requirements in respect of the financial statements, as specified under section 217 (2AA) of the Companies Act, 1956, is annexed as Annexure 2 to this Report.

STOCK OPTIONS PLANS

1999 Stock Option Plan / 2000 Stock Option Plan / 2004 Stock Option Plan

The details of these plans have been annexed as Annexure 3 to this Report.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of this Report.

As required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees are set out in Annexure 4 to this Report.

ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation to the contribution made by the employees of the Company and its subsidiaries during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India — **SHIV NADAR**
Date : July 31, 2014 — Chairman and Chief Strategy Officer

ANNEXURE 1 TO THE DIRECTORS' REPORT

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

a) Conservation of Energy

Green IT

Keeping at par with the paradigm shift in the industry, our initiatives across Green IT have not just created a dramatic shift in our ways of working but have also enhanced our environment conservation vision.

Over the last few years, from creating decentralized infrastructure and management, consolidating services and promoting e-waste disposal, your Company has worked towards enabling its growth, yet not compromising on security.

The Company continues its efforts towards Green IT and is now working on enhancing its vision and launch many more initiatives. From creating world class architectural initiatives like VDI (Virtual Desktop Infrastructure), Cloud, GIS (Global Information System-for our contact center telephony), your Company also believes in enhancing its secure infrastructure to include adoption of Office-365 and Mobile Device Management. Keeping in mind the digitally inclined media, your Company is working to enhance its collaboration initiatives too in the form of Lync and MP-India migration. And as it continues to grow in its journey, the count of recognitions and awards that acknowledge its focused efforts, also seem to grow.

Microsoft Collaboration Award

- The Company's adoption of LYNC 2013 and collaboration tool were awarded the best collaboration tool adoption in the Company and a case study is also published on the Microsoft website, for the same.

CNBC IT Excellence Award 2013

- The Company's Private Cloud was awarded IT Excellence Award for Best Project Implementation in association with CNBC.

SAMs Europe Award 2013

- The Company's SAM (Software Asset Management) Team was awarded 2nd Prize at an event held in Berlin, Germany.

EMC - IDC Award 2013

- RSA Envision implementation in HCL was awarded the EMC-IDC award, on Log Correlation and Next Generation Threat Management.

Building Infrastructure

Building use is responsible for half the consumed energy and half the greenhouse gas production in the world every year. Your Company ensures that energy saving features are incorporated at the design stage itself to prevent greenhouse gas emissions. The operations of your Company are less energy intensive than industries in the manufacturing sector. However, significant measures are taken to reduce energy consumption:

- Installing reliable meters that provide information about and help control water, heating, gas and electricity usage.
- Designing and selecting the HVAC (heating, ventilation and air conditioning) system and lighting equipment to maximize energy performance.
- Installing energy efficient light fixtures (LEDs, T-5 ballasts, and compact fluorescents).
- Day lighting sensors that can dim and/or turn off lighting if sufficient daylight is present. Occupancy sensors help control lighting in areas where occupancy is more intermittent (like washrooms, storage spaces, janitor rooms, etc.) to ensure lights are not left on unnecessarily.
- Individual control over lighting, heating, cooling and ventilation to maximize comfort, productivity and wellbeing.
- Energy efficient appliances (Energy Star photocopiers, printers, fax machines, computers, etc.) with embedded sleep mode.
- LCD computer screens with dual energy savings - they use 1/3 less energy in operations than CRT monitors and produce less heat, resulting in reduced cooling needs.
- Aerators for water taps for water optimization.
- UPS Downsizing.
- Purchase of green power (Hydro Power) from Third Party through open access.
- Lighting control in basements during day hours.
- Improving energy efficiency of existing Chillers and AHU.
- Floor air balancing for energy optimization.
- Creation of rain water harvesting wells at SEZ-Noida to make use of rain water and treated water from Sewage Treatment Plant (STP).
- Converting STP sludge cakes into compost manure to be used in landscaping.
- Installation of solar lights in open/ landscaping areas at SEZ-Noida.
- EHS (Employees HR Services) department has helped reduce paper consumption by enabling employees to download supporting documents/bills/invoices online while submitting their claims.

- Transport department leverages text messages to employees for cabs and other related updates/information.

Your Company has also initiated energy audits by reputed third party auditors across all major facilities in India which will further drive the process of energy optimization. Green Power Purchase for major facilities, eco-friendly waste management and bio gas generation in Chennai strengthens the commitment to environment excellence.

The initiatives have resulted in reduction in average power consumption per capita per month this year across India.

Carbon Footprint measurement

Your Company has formed a Green Council to address the response to Global Warming. The measurement is being done by using Company's developed Carbon accounting framework, Manage Carbon.

Manage Carbon, an IT solution around GHG (Green House Gas) Protocol for corporate standard, was developed and deployed for measuring and reporting carbon emissions. The technologies used in the solution are primarily open-source technologies to keep a low cost footprint. It integrates with various other enterprise applications containing electricity data, travel data, fuel data etc., using multiple approaches ranging from database level integration to web services based integration (both push and pull modes), in addition to providing options for direct entry of information. This tool has been successfully piloted and helped the Company to monitor and report on carbon emissions.

This initiative by the Company has earned the recognition by CDP (Carbon Disclosure Project) which is an international climate reporting initiative by WWF (World Wide Fund for Nature). On 7th November 2013, your Company was also recognized registering at the Leadership Index of CDP.

b) Research and Development ("R&D")

(i) Specific areas in which R&D was carried out

Your Company is carrying out R&D:

- on methods to accelerate new software development by creating reusable libraries for complex architecture requirements related to the area of Social, Mobile, Cloud and Analytics.
- on Multi - layered Internet of Things (IoT) reference stack to support product companies and service providers to enable them to accelerate IoT adoption.
- on frameworks to address the challenges faced by enterprises in testing mobile applications on Android, iOS, Win 8 platforms in the areas of distributed testing of devices spread across geographies, concurrent testing of applications on multiple devices and sharing of device resources across teams distributed geographically.
- on framework to automate the testing process for embedded devices, by creating methods for input simulation and output capturing using reusable libraries or COTS (Commercial-off the shelf) tools to accelerate the test methodology.
- on methods to optimize different lifecycle processes through data analytics using machine learning, natural language processing and other data mining algorithms.

(ii) Benefits derived as a result of above R&D

Your Company's solutions and frameworks are focused in creating value to customers in specific micro verticals. The direct benefits to the customers include acceleration of new software development with improved quality, quicker time to market, reduced cost, increased quality, cycle times of testing for mobile applications with increased coverage of application functionality and device matrix, improved coverage by simulation, acceleration of product development towards adoption of Internet of Things by Product Companies and increased efficiency of customer business processes. Our solutions like Business Aligned IT will result in enhanced business performance through improved KPIs, visibility, discovered landscape, stability, cost reduction and structured business future planning.

(iii) Future plan of action

Your Company plans the following actions in the future:

- Build requirements in standard format and generate a partial working application from these models and build test cases / test data from these models and automate test generation for these applications that will be relevant for smaller applications / Mobile applications.
- Replicate testing on one device across multiple mobile devices.
- Re-use of test scripts to test applications delivered on multiple channels (Mobile, Browser, Desktop).
- Automation of product level testing using Robotics and Multimedia testing.
- Develop framework to improve productivity and reduce time to market for remediation and recall scenarios.
- Develop framework to improve embedded device security by creating reusable components.
- Improve framework for recall management of medical devices.
- Develop framework for reusable components/ connectivity.
- Work on new use cases such as bug localization, bug prioritization and impact analysis etc. Strengthen current data extraction, transformation and mapping methods, workflow and models.

(iv) Expenditure on R&D for the years ended June 30, 2014 and 2013 are as follows:

(₹ in crores)

Particulars	**June 30, 2014**	**June 30, 2013**
Revenue expenditure	152.73	157.92
Capital expenditure	-	-
Total R&D expenditure	**152.73**	**157.92**
R&D expenditure as a percentage of revenues	**0.93%**	**1.26%**

c) Technology absorption, adaptation and innovation

Your Company's core business demands adoption of emerging technologies to stay ahead of competition. Your Company has made investments in emerging technologies like Social, Mobile, Analytics and Cloud in line with market needs and stays relevant to its customers. Our Digital Systems Integration (DSI) strategy to transform legacy driven traditional organization to a Digitized Corporation has been well received by the market place.

d) Foreign exchange earnings and outgo

Your Company is an export-oriented unit and the majority of the Information Technology and Business Process Outsourcing services by the Company are for clients outside India.

Activities relating to exports, initiatives taken to increase the exports, development of new export markets for products and services and export plans -

During the year, a substantial portion of the revenue of the Company was derived from the exports. During the year, your Company has set up 7 step down subsidiaries across the globe to enhance its business. The various global offices of the Company are staffed with sales and marketing specialists, who promote and sell services to large international clients.

The foreign exchange earned and spent by the Company during the year under review is as follows:

(₹ in crores)

Particulars	**June 30, 2014**	**June 30, 2013**
Foreign exchange earnings	**14,239.77**	**11,381.19**
Foreign exchange outgo		
- Expenditure in foreign currency	1,419.40	1,131.64
- CIF value of imports	138.25	133.95
- Dividend remitted in foreign currency	191.95	120.06
	1,749.60	**1,385.65**

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 2 TO THE DIRECTORS' REPORT

Directors' Responsibility Statement as required under section 217 (2AA) of the Companies Act, 1956:

i) The financial statements have been prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956 to the extent applicable to the Company. There have been no material departures from prescribed accounting standards while preparing these financial statements;

ii) The Board of Directors has selected the accounting policies described in the notes to the accounts, which have been consistently applied, except where otherwise stated. The estimates and judgments relating to the financial statements have been made on a prudent basis, in order that the financial statements reflect in a true and fair manner, the state of affairs of the Company as at June 30, 2014 and the profit of the Company for the year ended on that date;

iii) The Board of Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The annual accounts have been prepared on the historical cost convention, as a going concern and on the accrual basis.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 3 TO THE DIRECTORS' REPORT

DETAILS ON STOCK OPTION PLANS

1999 Stock Option Plan / 2000 Stock Option Plan / 2004 Stock Option Plan

Pursuant to the approval of the shareholders, your Company had instituted the 1999 Stock Option Plan ("1999 Plan"), 2000 Stock Option Plan ("2000 Plan") and 2004 Stock Option Plan ("2004 Plan") for all eligible employees of the Company and its subsidiaries. The 1999 Plan, 2000 Plan and 2004 Plan are administered by the Compensation Committee (Now Nomination and Remuneration Committee) of the Board and provide for the issuance of 20,000,000; 15,000,000 and 20,000,000 options, respectively.

Each option granted under the 1999 Plan, 2000 Plan and 2004 Plan, entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Compensation Committee.

The details of the options granted under the 1999, 2000 and 2004 Plans are given below:

Sl. No.	Description	1999 Plan	2000 Plan	2004 Plan
1.	Total number of options granted (gross)	26,600,874	17,747,401	8,424,132
2.	The pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
3.	Number of options vested	17,529,862	10,466,138	4,746,305
4.	Number of options exercised	13,855,937	7,303,665	4,396,163
5.	Total number of shares arising as a result of exercise of options	**55,423,748**	**29,214,660**	**17,584,652**
6.	Number of options lapsed & forfeited	12,619,114	10,233,495	2,299,120
7.	Variation in terms of options	None	None	None
8.	Money realized by exercise of options (₹ in crores)	509.65	423.79	12.19
9.	**Total number of options in force as on June 30, 2014**	**125,823**	**210,241**	**1,728,849**
10.	Grant to Senior Management			
	Number of Options	1,967,175	254,904	2,987,600
	Vesting Period	110 Months	104 Months	96 Months

The diluted earnings per share were ₹84.51 and ₹52.45 for the fiscal years ended June 30, 2014 and 2013 respectively.

HCL TECHNOLOGIES LIMITED EMPLOYEES TRUST

In April 2001, HCL Technologies Limited Employees Trust ("Trust") was formed for the purpose of acquiring the shares of the Company and thereby providing such shares to the eligible employees and directors of the Company and/or its subsidiaries at any time pursuant to the Stock Option Plans of the Company. The Company would provide this Trust interest free loan(s) from time to time up to a limit of ₹150 crores for this purpose.

The Trust was closed on March 14, 2014. The Trust did not hold any shares on the said date. An amount of ₹6.52 crores was outstanding as loan from the Company for which a provision was created. The said provision was written off by the Company during the year.

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)

Details of Stock Option Plans for the year ended June 30, 2014

Particulars	1999 Plan	2000 Plan	2004 Plan
Total number of options outstanding as on July 1, 2013	**324,422**	**583,255**	**2,238,201**
Number of options granted during the year	-	-	8,000
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
Number of options vested during the year	-	-	271,600
Number of options exercised during the year	184,025	301,986	290,620
Total number of shares arising as a result of exercise of options during the year	736,100	1,207,944	1,162,480
Number of options lapsed and forfeited during the year	14,574	71,028	226,732
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ in crores) (includes issued through Trust)	11.76	19.24	0.83
Total number of options in force as on June 30, 2014	**125,823**	**210,241**	**1,728,849**
Employees granted options equal to 5% or more of the total number of options granted during the year	None	None	None
Employees granted options equal to or exceeding 1% of the issued capital during the year	None	None	None
Fair value compensation cost for options granted (₹ in crores)	N.A.	N.A.	2.64
Weighted average exercise price of options granted above market price	N.A.	N.A.	N.A.
Weighted average fair value of options granted above market price	N.A.	N.A.	N.A.
Weighted average exercise price of options granted at market price	N.A.	N.A.	N.A.
Weighted average fair value of options granted at market price	N.A.	N.A.	N.A.
Weighted average exercise price of options granted below market price (₹)	N.A.	N.A.	8.00
Weighted average fair value of options granted below market price (₹)	N.A.	N.A.	3,304.31
Method and significant assumptions used during the year to estimate the fair values of options			
Method	Black schole	Black schole	Black schole
Significant assumptions			
Risk free interest rate	7.80%	7.80%	7.80%
Expected life	upto 56 months	upto 56 months	upto 56 months
Expected volatility	30.80%	30.80%	30.80%
Expected dividend	2.02%	2.02%	2.02%
The price of the underlying options in market at the time of grant (₹)	N.A.	N.A.	N.A.

Pre IPO Details of Stock Option Plan

Particulars	As on June 30, 2014 ESOP 1999 Plan
Number of options granted pre IPO	14,223,832
Pricing formula	Internal valuation
Number of options vested	11,648,957
Number of options exercised	10,234,702
Total number of shares arising as a result of exercise of options	40,938,808
Number of options lapsed	3,989,130
Variation in terms of options	None
Money realised by exercise of options (₹ in crores)	259.41
Total number of options in force as on June 30, 2014	**-**
Fair value compensation cost for options granted (₹ in crores)	43.96
Weighted average exercise price of options granted (₹)	255.00
Weighted average fair value of options granted (₹)	36.65
Method used to estimate the fair values of options	Black-Scholes Method
Significant assumptions	
Risk free interest rate	10.00%
Expected life	12 to 110 months
Expected volatility	-
Expected dividend	0.10%

ANNEXURE 3 TO THE DIRECTORS' REPORT (Contd.)

Employee Compensation Cost based on fair value of the options

			Year ended 30 June, 2014
			(₹ in crores)
Net income, as reported			5,984.62
Add: Stock-based employee compensation expense included in reported net income			30.92
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards			39.12
Proforma net income			**5,976.42**
Earnings per share			₹
As reported	-	Basic	85.66
	-	Diluted	85.55
Adjusted proforma	-	Basic	84.51
	-	Diluted	84.40
Method and significant assumptions used during the year to estimate the fair values of options			Black-Scholes Method
Significant assumptions			
Dividend yield %			2.02%
Expected life			upto 56 months
Risk free interest rates			7.80%
Volatility			30.80%

Details of options granted to Senior Managerial Personnel of the Company during the year ended June 30, 2014		
Name of the Employee	**Date of Grant**	**No. of Options**
Ajit Kumar	9-Aug-13	8,000
		8,000

Details of options granted to employees amounting to 5% or more of the options granted during the year the year ended June 30, 2014	None

Details of options granted to employees during the year ended June 30, 2014, amounting to 1% or more of the issued capital of the Company at the time of the grant	None

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2013-14

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
1.	Ajay Kumar Davessar	45	Vice President	MBA - Marketing	8,389,314	12.05.2009	18	Capgemini India Pvt. Ltd.	Associate Director	Dec.06
2.	Ajit Krishnakutty Kumar	50	President-Systems Integration & Appln. Delivery	MBA - Marketing	38,408,867	01.07.2013	26	Accenture Services Pvt. Ltd.	Managing Director	Jun.88
3.	Amit Roy	55	Executive Vice President - Taxation	CA	12,120,147	16.07.2007	30	Samsung India Electronics Pvt. Ltd.	Vice President - Taxation	Sep.06
4.	Amitava Sengupta	44	Vice President	M.Tech - Computer Science	6,564,635	26.10.2009	20	Tata Consultancy Services Ltd.	Sr. Consultant / IOU Head	Apr.94
5.	Anand Subbu	46	General Manager	B.Tech	6,842,094	23.03.2009	19	Satyam Computer Services Ltd.	Manager	May.05
6.	Anant Gupta	49	President and Chief Executive Officer	M.Sc. (Engineering)	42,214,089	25.07.2012	26	HCL Comnet Systems & Services Ltd.	President	Nov.93
7.	Anantha Padmanabhan J	45	Operations Director	B.Sc. - Maths	6,736,810	26.04.2007	25	Polaris Software Lab Ltd.	Vice President	Aug.01
8.	Anil Kumar Chanana	56	Chief Financial Officer	CA	30,496,861	01.10.1998	33	HCL Technologies America Inc.	Executive Vice President	Dec.85
9.	Anjan Kumar Mukherjee	39	Vice President	B.Sc. - Computer Science	6,872,433	01.11.1999	18	Asmocom Internet Services	Web Designer & Developer	Dec.97
10.	Anup Dutta	55	Executive Vice President	B.Tech - Electrical, M.Tech - Electrical	9,319,390	01.07.1996	33	HCL Hewlett Packard Ltd.	Senior Manager	Jul.81
11.	Anup Kumar Mondal	47	Deputy General Manager	B.Tech - Metallurgy	6,308,878	22.11.2004	22	Pricewaterhouse Coopers	Consultant	Sep.04
12.	Anupama Bugatha	47	Vice President	MCA	8,551,723	01.08.2011	23	Satyam Computer Services Ltd.	Vice President	Feb.98
13.	Apparao V V	52	Executive Vice President	B.Tech, M.Tech	8,038,861	10.03.2003	30	Ascend Technologies Ltd.	Director/Center Head	Aug.96
14.	Arup Vithal	36	Operations Director	MBA - Marketing	6,139,593	24.05.2004	13	Polaris Software Lab Ltd.	Consultant	Feb.01
15.	Ashu Kakkar	43	Operations Director - IT Services	Diploma - Electrical	8,718,179	05.09.2005	21	Tata Technologies (India) Ltd.	Technical Consultant	Feb.93
16.	Ashutosh Kaushik	51	Vice President	MBA - Marketing	7,651,369	24.03.1994	28	HCL Comnet Ltd.	Deputy General Manager	Mar.94
17.	Balamurugan Ramasamy	50	Associate Vice President	B.Tech - Electronics	6,408,318	06.08.1986	28	Digital Instruments & Controls Pvt. Ltd.	R & D Engineer	Mar.86
18.	Chandrasekharan Kasinarayanan	53	Associate Vice President	M.Sc. (Physics), PGD (Computer Science)	7,474,504	20.12.2007	28	Aztecsoft Ltd.	General Manager	Dec.03
19.	Dakshina Murthy Chunduri	45	Vice President	B.Tech (Hons.) - Computer Science	6,101,554	01.02.1993	23	Softek Pvt. Ltd.	Engineer	Aug.91
20.	Deepak Sachdev	52	Associate Vice President	B.Com	6,250,681	25.07.2003	32	HCL Infosystems Ltd.	Deputy General Manager	Aug.01
21.	Dhamayanthi Narayanan	47	Associate Vice President	MCA	6,695,281	06.11.2000	24	Cresent Engg. College	Senior Lecturer	Oct.94
22.	Dharmander Kapoor	48	Vice President	MCA	8,059,699	21.04.2003	21	Xavient Technologies	Program Manager	Mar.02
23.	Gade Hanumantha Rao	56	President - ERS	B.Tech - Electronics	13,963,640	01.07.1996	33	HCL Hewlett Packard Ltd.	Senior Manager - R & D	Nov.80
24.	Ganesh Raman	43	Associate Vice President	B.Tech - Electronics	7,753,301	28.02.2008	20	Sutherland Global Services Pvt. Ltd.	Director	Dec.01
25.	Girish Sundaram	46	Associate Vice President	B.Tech - Computer Science	10,194,046	15.04.1996	23	Hughes Software Systems Ltd.	Senior Software Engineer	Jun.92
26.	Gregory Widener	53	Operations Director	M.Sc., MBA	15,463,963	25.07.2011	30	Xerox Corporation	Program Manager	Jun.83
27.	Gunamani Rajagopal	50	Associate Vice President	B.Tech - Electronics	6,364,517	27.10.1997	26	Texas Instruments (India) Ltd.	Sr. Development Engineer	Nov.95
28.	Gurpreet Singh Arora	39	Vice President	CA	10,920,728	01.05.2012	13	Wipro Limited	General Manager	Oct.07
29.	Harekrishna Rajagopalachar Sadarahall	45	Vice President	B.Tech - Mechanical	9,110,613	09.01.2012	24	Allegis Services India Pvt. Ltd.	Executive Vice President	Mar.09
30.	Harshdeep Arora	39	Associate Director	CA	8,909,295	10.05.2007	17	Indian Oil Corporation Ltd.	Deputy Manager	Nov.97
31.	Jai Yeshwanth Raj Shamraj	46	Vice President	PGD - Business Administration	6,807,762	29.03.2010	24	Satyam Computer Services Ltd.	Assistant Vice President	Feb.06
32.	Jayasri Bandi Krishnan	41	General Manager	MS (Computer Science)	8,202,095	05.01.1998	19	Centre for Industrial Consultancy and Sponsored Research	Senior Project Officer	Jun.97
33.	Kanad Chatterjee	52	Vice President	MBA - Finance	6,759,666	03.07.2000	28	Tata Technologies (India) Ltd.	Project Manager	Aug.86
34.	Kandukuri Venkata Subrahmanyam	46	Senior Vice President	MS	8,450,548	08.04.2011	24	Mphasis Limited	Vice President	Mar.06
35.	Kavitha Venkatachalam	38	Director - Recruitment Del. Lead, Talent	MBA - Human Resource	7,640,873	02.07.2012	15	Accenture Services Pvt. Ltd.	Manager	Feb.06
36.	Kevin Kusch	43	Operations Director	B.Sc. (Computer Science)	11,067,587	01.09.2011	19	Xerox Corporation	Software & Electronics Manager	Jun.06
37.	Lalitha Janakiraman	51	Associate Director - Talent Segment Lead	CA	6,582,761	01.07.2004	28	Harrods Ltd.	Analyst	Oct.00
38.	Madhumit Singh Dixit	49	Vice President	M.Tech - Instrumentation & Control	6,722,764	01.09.1995	25	Dalmia Cement (Bharat) Ltd.	Manager (Design Center)	Nov.92
39.	Mandeep Jolly	47	Associate Vice President	B.Tech - Computer Science, MS - Software Systems	7,099,482	12.04.1999	25	Escorts Ltd.	Senior Engineer	Feb.90
40.	Manish Kumar Sharma	41	Operations Director	B.Tech - Metallurgy	6,995,200	07.05.2001	20	Steel Authority of India Ltd.	Assistant Manager	Sep.94

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2013-14 (Contd.)

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
41.	Manoj Kumbhat	47	Senior Vice President & CIO	MBA - Finance	17,378,390	28.03.2012	20	Pepsi Foods Pvt. Ltd.	CIO	Mar.06
42.	Manpreet Singh Khurana	39	Vice President & Head - Global IT	MBA - Computer Science	8,350,693	11.09.2003	18	Futuresoft Solutions Pvt. Ltd.	Assistant Manager - Technology	Aug.00
43.	Mukesh Gupta	43	Associate Vice President	PGDBA - Finance	6,862,031	08.05.1995	23	Tata Consultancy Services Ltd.	Assistant Operations Engineer	Jul.91
44.	Mukund Garg	44	Vice President	B.Tech - Electrical	8,425,718	18.02.2008	22	Satyam Computer Services Ltd.	Associate Vice President	Jun.04
45.	Munish Gupta	37	Associate Director	MBA - IT & Management	6,233,405	02.06.2003	14	S.G. Agencies	Manager - Sales & Stores	Apr.01
46.	Murali Ramamurthy	51	Associate Vice President	B.Tech - Mechanical	6,418,633	29.01.2004	25	BPL Telecom Pvt. Ltd.	Assistant General Manager	Apr.00
47.	Nand Kishore Avantsa	54	Associate Vice President	BA - General	6,829,019	14.07.2008	29	Tech Mahindra Ltd.	Head Delivery	Jun.07
48.	Napolean Periyakaruppan Chanthachalam	48	Associate Vice President	B.Tech - Computer Science	7,640,718	08.09.1997	26	MMTC Limited	Manager	Feb.91
49.	Narender Kumar Dureja	47	Associate Vice President	MCA	6,917,867	07.07.2005	24	ALL e Technologies Pvt.Ltd.	General Manager	Aug.00
50.	Naveen Narayanan	42	Global Head - Talent Acquisition	MBA	8,400,005	14.03.2012	21	Accenture Services Pvt. Ltd.	Senior Principal Consultant	Apr.06
51.	Neeraj Tandon	50	Senior Vice President	MBA - Marketing	6,174,123	27.02.2002	28	MCG Consulting Pvt. Ltd.	Director	May.00
52.	Nitin Pande	43	Senior Vice President - HR Advisory & Employee Serv.	MBA - Personnel, HR & IR	7,674,075	20.06.2005	21	Office Tiger Database Systems India Pvt.Ltd.	Assistant Vice President - Human Resources	Apr.04
53.	Padmaprasad Munirathinam	42	Vice President	B.Tech - Electrical	8,026,324	12.05.2010	15	Sap Labs India Pvt. Ltd.	Development Director	Jul.06
54.	Prabhuraman Sayanam	44	Vice President	B.Tech	8,566,790	29.08.1988	26	NA	NA	NA
55.	Prahlad Rai Bansal	57	Corporate Vice President	CA	7,196,266	30.08.2000	35	HCL America Inc.	Vice President	Nov.97
56.	Prasad Anjaneeya Chodavarapu	42	Senior Vice President	B.Tech, MS - Mechanical	8,788,470	18.12.2000	18	Savera Systems Inc.	Senior Member of Technical Staff	Feb.98
57.	Prateek Aggarwal	47	Executive Vice President - Finance	MBA - Finance	10,012,087	01.10.2012	23	Hexaware Technologies Limited	Chief Financial Officer	Jun.08
58.	Prithvi Harkirat Singh	47	Chief Human Resources Officer	MBA	36,171,045	19.04.2012	24	Accenture Services Pvt. Ltd.	Partner - Human Resources	Jan.04
59.	Raj Kumar Malik	54	Senior Vice President	B.Tech - Electrical	7,158,517	28.07.1997	32	Commonwealth Bank	Project Manager	May.96
60.	Raj Kumar Rai	42	Operations Director	B.Tech - Computer Science	7,958,538	06.02.1996	21	Cegelec India Ltd.	Software Specialist	Jun.95
61.	Rajagopal Swaminathan	55	Senior Vice President	MBA - Marketing	7,658,374	05.01.2004	31	Vyapin Software Systems Pvt. Ltd.	Director	Feb.99
62.	Rajasekhar Kuduva Ramamoorthy	48	Associate Vice President	M.Tech - Computer Science	9,869,231	01.02.1989	25	NA	NA	NA
63.	Rajesh Gupta	54	Vice President - Taxation	CA	7,961,011	17.03.2010	28	JSL Limited	Vice President - Taxation	May.09
64.	Rajiv Mahajan	54	Sr. Vice President & Director - Infrastructure Project	BE (Hons.) Civil, M.Sc (Hons.) - Economics	14,553,166	22.11.2010	29	Advance India Projects Ltd.	President Projects	Jan.10
65.	Rajiv Sodhi	55	Sr. Corporate Vice President & Chief Productivity & Workforce Competitiveness Officer	B.Tech, MBA - Marketing	11,670,078	24.07.1997	33	Tata Consultancy Services Ltd.	Manager Systems	Aug.81
66.	Rajnesh Avtar	46	Vice President	BCA - Computer Science	7,606,633	31.07.2006	24	Hewlett-Packard, USA	Senior Software Manager	May.95
67.	Ramalingam Subbarayan	51	Deputy General Manager	M.Tech - Computer Science	7,230,246	12.06.2000	26	Indian Institute of Technology	Jr. Systems Officer	Aug.94
68.	Ramaswamy Vaidyanath	50	Associate Vice President	Masters in Financial Management	6,983,947	04.06.2012	30	Capgemini India Pvt. Ltd.	Principal	Jul.08
69.	Ramesh Edukulla	48	Service Delivery Director	PGD - Business Administration	6,177,043	25.06.2009	23	Capgemini India Pvt. Ltd.	Senior Manager	Mar.06
70.	Ramesh G Nathawani	51	Vice President	B.Tech - Computer Science	12,519,909	01.03.2002	28	Planetasia Ltd.	Head-Application Development Group	Oct.00
71.	Randeep Chikara	44	Senior Vice President	B.Tech - Electronics, MBA - Marketing	6,780,361	05.03.2008	21	EXL Business Process Solutions	Vice President - Client Relationship Management	Aug.06
72.	Rangarajan Raghavan	55	Senior Vice President	Diploma in Electrical Engineering	8,331,855	01.04.2003	36	HCL Infosystems Ltd.	Chief Support Officer	Sep.78
73.	Rangarajan Vijayaraghavan	49	Senior Vice President	MA	10,715,720	22.05.2009	27	Satyam Computer Services Ltd.	Vice President	May.99
74.	Ravi Kathuria	51	Vice President	MBA - Marketing	6,492,451	16.10.2012	29	Birlasoft (India) Ltd.	Vice President - Marketing	Mar.06
75.	Ravindra Nuguri	49	Vice President	PGD - Computer Science	7,152,898	04.02.2004	27	Tektronix Engineering Development (India) Pvt. Ltd.	Program Manager	Jun.00
76.	Ravishankar Sethuraman	47	Senior Vice President	B.Tech - Telecommunication	8,525,286	08.07.1999	25	DSQ Software Ltd.	Project Manager	Apr.97
77.	Renju George Varghese	40	Director - Global Practice	MCA	9,814,615	07.12.1999	15	Advance Centre for Computer Technology	System Administrator	Aug.98
78.	Salil Kumar Bhattacharjee	51	Associate Vice President	PGD - Computer Science	6,547,668	17.04.1998	30	Unicorp Industries Ltd.	Industry Manager - Banking	Jan.97
79.	Sandeep Srikantan Srinivasan	34	General Manager	B.Tech - Instrumentation & Control	6,760,994	22.05.2006	10	Infosys Technologies Ltd.	Software Engineer	Nov.03
80.	Sanjay Kumar Kapoor	41	Operations Director	B.Tech - Computer Science	6,917,814	01.10.1997	20	Tata Consultancy Services Ltd.	Software Engineer	May.94
81.	Sanjeev Mehrotra	47	Associate Vice President	MCA	6,483,616	12.01.2009	20	Satyam Computer Services Ltd.	Band I (Integrator)	Jan.08

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

A. EMPLOYED FOR FULL FINANCIAL YEAR - 2013-14 (Contd.)

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
82.	Sanjeev Nikore	54	President - Consumer, Manufacturing, Public Services & Sr. Corporate Vice President	MBA	12,598,374	03.09.2012	32	HCL Great Britain Ltd.	Senior Corporate Vice President	Sept.10
83.	Sanjog Chugani	45	Associate Vice President	B.Tech - Electronics	6,598,538	03.11.2009	14	Infosys Technologies Ltd.	Senior Project Manager	Mar.05
84.	Sanyam Kumar Saxena	52	Global Operations Director	B.Tech - Electrical	6,409,860	17.10.2001	29	MPHASIS-BFL Ltd.	Associate General Manager	May.00
85.	Sashi Kumar Pudur Radhakrishnan	43	Operations Director	M.Sc. - Computer Science	6,090,459	14.07.1995	20	Processware Systems Pvt. Ltd.	Programmer	Jan.94
86.	Satish Chandrasekaran	47	Executive Vice President	MBA	11,622,443	14.01.2010	26	Target Corporation India Pvt. Ltd.	Vice President	Aug.07
87.	Seshan Sowmya Narayanan	41	Director	Polytechnic Diploma - Electronics/Telecommunication	6,503,280	02.03.2010	23	iOPEX Technologies Pvt. Ltd.	Director	May.09
88.	Shiv Nadar	68	Chairman and Chief Strategy Officer	Electrical Engineer	120,742,487	13.09.1999	45	HCL Infosystems Ltd.	Whole-time Director & CEO	Aug.87
89.	Shridhar Ramanujam	54	Associate Vice President	B.Tech - Mechanical	7,445,103	25.07.2003	31	HCL Infosystems Ltd.	Deputy General Manager	Nov.95
90.	Shrikant Hanumanth Sheth	53	Global Operations Director - Delivery	B.Sc. - Biology	6,110,751	28.04.2003	33	Tata TD Waterhouse	Manager	Feb.98
91.	Shyam Enjeti	36	Global Operations Director	B.Tech, MS - Telecommunication	6,879,063	11.01.2010	11	Vordel, Inc.	Sr. Solutions Architect	May.08
92.	Siddhartha S	39	Vice President	MBA - Marketing	12,043,792	07.05.2001	17	Grindwell Norton Ltd.	Product Engineer	Jan.97
93.	Sreenadha Reddy Vangavaragu	46	Associate Vice President	B.Tech - Electronics & Communications	6,024,723	08.08.1996	22	MRO-TEK (P) Ltd.	Assistant Manager - Marketing	Aug.92
94.	Sridevi Pasupuleti	43	Operations Director	M.Sc. - Computer Science	6,016,378	25.07.2003	20	HCL Infosystems Ltd.	Senior Consultant	Jun.98
95.	Sriram Subramanian Vaitheeswarankovil	57	Sr. Corporate Vice President & Chief Customer Officer	MBA	10,600,860	01.10.2001	36	Citicorp Overseas Software Ltd.	Centre Head	Nov.88
96.	Subbaraman Balasubramanyan	41	Operations Director	M.Sc. - Computer Science	8,377,384	03.06.1996	18	NA	NA	NA
97.	Subodh Kumar Jain	34	General Manager - Taxation	CA	6,210,122	27.05.2005	12	LG Electronics India Pvt. Ltd.	Executive - Finance	Dec.04
98.	Subramanian Gopalakrishnan	47	Vice President - Finance	CA, CS, CWA	8,107,931	09.12.2010	24	Satyam Computer Services Ltd.	Vice President - Finance	Jun.05
99.	Sujatha Anand	49	Vice President	B.Com	10,132,224	02.01.1986	28	NA	NA	NA
100.	Suresh Venkatesan	48	Global Operations Director	B.Tech - Electronics	6,538,082	20.12.1999	26	DSQ Software Ltd.	Associate Consultant	Sep.97
101.	Surya Pawan Kumar Vadapalli	39	Vice President	MBA - Personnel, HR & IR	8,264,182	14.05.2009	19	Satyam Computer Services Ltd.	Assistant Vice President	Aug.02
102.	Swapan Johri	49	Executive Vice President	B.Tech - Chemical	8,911,316	01.06.1999	27	CMOS Communications Pvt. Ltd.	Chief Operating Officer	May.98
103.	Tom Nedumattathil Thomas	50	Senior Vice President	MBA - Marketing	6,429,441	01.08.2005	26	HCL Technologies America Inc.	Business Development Manager	Apr.99
104.	Usha Lakshmanan	51	Vice President	CWA	6,434,778	03.09.2010	24	Accenture Services Pvt. Ltd.	Principal	Nov.08
105.	Varanasi Guru Venkata Subbaraya Sharma	50	Vice President - Internal Audit	CWA	8,506,195	24.01.2011	23	ATC Tires Pvt. Ltd.	Vice President - Internal Audit	Jun.10
106.	Vasudevan Aravamudhan	55	Senior Vice President	B.Tech - Electronics	6,769,507	29.06.1996	32	NA	NA	NA
107.	Veena Rao	46	Global Practice Director	B.Com	6,278,316	16.11.2006	21	i-Flex Solutions Limited	Associate Director - Presales	Mar.03
108.	Venkatesan Muthukumaraswami	56	Senior Vice President - Operations	M.Tech - Electronics	9,070,911	30.09.1998	31	Alstom Ltd.	Area Manager	Jul.87
109.	Vijay Anand Guntur	46	Senior Vice President	M.Sc (Computer Science), MBA	8,688,625	14.07.1994	25	HCL Hewlett Packard Ltd	Deputy Manager	Jun.89
110.	Vijay Mallya	50	Senior Vice President	MBA - Finance	8,933,227	26.09.2001	29	State Bank of India	Associate Manager	May.85
111.	Vikas Sharma	44	Associate Vice President - LOB HR Lead	MBA - HR	8,082,488	26.07.2010	21	Manpower Services (India) Pvt. Ltd.	Chief - Human Resources	Jun.08
112.	Vikram Sarathy	52	Senior Vice President	MBA - Technology	9,321,055	03.02.2003	32	AL Bank Alsaudi	Department Manager	Jan.97
113.	Vikrant Dhawan	46	Associate Vice President - Legal	LLB	7,525,777	28.04.2008	23	Glaxosmithkline Consumer Healthcare Ltd.	General Manager - Legal	Jan.07
114.	Vineet Vedprakash Sood	47	Senior Vice President - Treasury	CWA	15,373,670	25.11.2010	23	Tata Consultancy Services Ltd.	Treasurer	Mar.06
115.	Vinutha M S Rao	41	Operations Director	B.Tech - Electronics	7,055,531	11.03.2002	16	CyberCash India Pvt. Ltd.	Technical Lead - Customer Support	Aug.98

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2013-14

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
1.	Annie Abraham	47	Global Operations Director	B.Tech - Instrumentation & Control	5,800,638	12.11.1996	25	Kirloskar Oil Engines Ltd.	Software Engineer	Jan.89
2.	Anupam Adeeb	43	Vice President	B.Tech - Computer Science	6,961,476	14.01.2004	20	Citrix Systems India Pvt. Ltd.	Channel Manager	Feb.02
3.	Anurag Sharma	46	Associate Vice President	MBA - Marketing, M.Phil	2,187,654	24.11.2008	24	Tech Mahindra Ltd.	Head BD - IT Infrastructure Services	Aug.06
4.	Arvind Jaiswal	42	Service Delivery Director	B.Tech - Electrical	5,089,127	16.02.2009	21	Genpact India	Assistant Vice President	Jul.06
5.	Ashish Bhagat	38	Associate Director	CA	5,202,180	02.11.2009	9	EXL Service.Com (India) Pvt. Ltd.	AVP Finance	Jun.07
6.	Ashish Dubey	36	Associate General Manager	ITIL, MCSA Certified	4,576,588	30.10.2013	16	HCL Technologies Norway AS	Associate General Manager	Oct.13
7.	Ashok Radhakrishnan	53	Senior Vice President	MBA - Strategy Management	12,957,530	10.10.2013	29	ISG Novasoft Technologies Ltd.	COO	Aug.07
8.	B Kalyan Kumar	38	Sr. Vice President & Chief Technologist	B.Tech - Production	9,012,766	01.09.2000	17	Digital/Compaq Computer India	Systems Engineer	Jun.97
9.	Balaji Prasad Nandagopal	55	Vice President	BSc - General	10,989,131	25.07.2003	33	HCL Infosystems Ltd.	General Manager	Jun.94
10.	C R D Prasad	57	Sr. Corporate Vice President & Chairperson	B.Tech - Production	8,541,372	01.07.1995	34	Hindustan Instruments Ltd.	All India Sales & Service Manager	Sep.80
11.	Chalamala Venkata Subba Reddy	51	Operations Director	B.Tech - Mechanical	7,284,476	08.04.2004	28	Nest Avionics	Project Manager	Jan.04
12.	Dilip Kumar Srivastava	55	Corporate Vice President	MSW (HR & IR)	9,276,668	07.06.2005	33	Vanguard Solutions Ltd.	Vice President - HR	May.05
13.	Ganesh Sunder	46	Associate Vice President	B.Tech - Electrical & Electronics	2,436,283	03.03.2014	22	Accenture Services Pvt. Ltd.	Managing Director	Jun.07
14.	Hemant Vijh	42	Associate Vice President	PGD - Business Management	6,512,270	11.09.2000	20	SHD Infomatics Pvt. Ltd.	Director	Oct.97
15.	Jagadeshwar Gattu	44	Sr. Vice President - America	MS - Information Systems	5,556,585	01.01.2007	20	Genpact India	Vice President	Nov.05
16.	Kannan Veeraraghavan	56	Chief Quality Officer	B.Com & Certificate courses	8,616,265	01.08.2005	32	KPMG Peat Marwick	Executive Director - Software Process	Jun.95
17.	Manas Chakraborty	45	Associate Vice President	M.Sc.	6,017,396	17.11.2008	20	Infosys Technologies Ltd.	Sr. Consultant & Anchor	May.04
18.	Manish Kumar Pandeya	44	Associate Vice President	MBA	2,082,521	24.02.2014	20	Cognizant Technologies Solutions India Pvt. Ltd.	Senior Manager	Apr.00
19.	Manjeet Dua	41	Service Delivery Director	MBA	9,306,049	16.10.2008	19	Bharti Airtel Ltd.	Deputy General Manager-IT	May.08
20.	Munukutla Narasimha Srinivas	41	Vice President	MBA - Finance	1,499,375	06.05.2014	17	Accenture Services Pvt. Ltd.	Managing Director	Dec.06
21.	Murali KS	51	Vice President	B.Tech - Computer Science	11,070,475	10.03.2005	27	P.S.I. Data Systems Ltd.	Vice President	Mar.90
22.	Naresh Nagarajan	51	Senior Vice President	B.Tech-Mechanical, MS - Computers	3,483,958	11.04.2011	25	Self Employed	Founder Chief Consultant	Jul.09
23.	Navin Sabharwal	40	Associate Director & Principal Solution	B.Com, M.Sc. (IT)	8,949,055	26.11.1998	16	NA	NA	NA
24.	Neeru Mehta	39	General Manager - HR	MBA - Personnel, HR & IR	3,256,062	17.07.2002	17	Siemens Ltd	Sr. Eexecutive HRD	Jul.01
25.	Nirmala Datla	50	Vice President	PGD - General Management	1,907,154	24.04.2014	30	Microsoft India (R&D) Pvt. Ltd.	Regional Director & Principal IT Prog. Manager	Jan.13
26.	Pradeep Bindal	51	Corp. Vice President - Asia & Middle East, Africa	MCA	4,742,217	01.11.2013	26	HCL Comnet Systems & Services Ltd.	Corp. Vice President - Asia & Middle East, Africa	Dec.95
27.	Pradeep Kumar KS	53	Operations Director – CAG	MS - Computer Science	5,939,949	09.06.2003	29	Integra Micro Systems Pvt. Ltd.	Manager Quality	Dec.00
28.	Prasun Roy Barman	46	Associate Vice President	B.Tech - Electronics	6,097,177	07.08.2003	20	Computer Science Corporation India Pvt. Ltd	Sr. Consultant	Jun.03
29.	Radhakrishnan Hulikal Srinivasa	48	General Manager	B.Tech - Production	3,302,766	04.05.2006	26	Sahara Airlines	Manager	Feb.02
30.	Rajan B Pillai	58	Associate Vice President	MBA	4,731,938	11.09.2001	33	JMS Word wide	Manager - Projects	Sep.99
31.	Ramakrishna Venkatraman	62	Sr. Corporate Vice President & Chief Delivery Officer	M.Tech - Electrical	7,717,526	23.07.2003	40	Eximsoft Technologies Pvt.Ltd.	Managing Director	Apr.97
32.	Ramakrishna Venkatraman	54	Associate Vice President	M.Sc. - Electronics	7,588,093	08.08.2006	31	Accenture Services Pvt. Ltd.	Senior Manager	Jul.05
33.	Ramani Balakrishnan	49	Practice Director - BFSI	MBA - Finance	6,264,706	13.10.2008	24	Birlasoft (India) Ltd.	General Manager	Sep.03
34.	Ravi Kumar Menon	61	Associate Vice President	BA - General	2,466,033	01.04.2005	35	HCL Infosystems Ltd.	Associate Vice President	Aug.95
35.	Rohit Kishore	44	Vice President	B.Tech (Hons) - Mechanical	3,113,380	21.04.2014	21	Cognizant Technology Solutions Pvt.Ltd.	AVP - Projects	Dec.11
36.	Sandip Gupta	55	Sr. Corp. Vice President - Business Finance	CA	11,006,230	01.10.2005	32	HCL Comnet Systems & Services Ltd.	Vice President	Oct.98
37.	Sateesh Krishnamurthy Tiptur	55	Associate Vice President	Phd - Computer Science	3,793,050	22.01.2001	32	MPHASIS-BFL Ltd.	AGM- Technical	Oct.99

ANNEXURE 4 TO THE DIRECTORS' REPORT
INFORMATION FOR DIRECTORS' REPORT U/S 217(2A) OF THE COMPANIES ACT, 1956

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR - 2013-14 (Contd.)

Sl. No.	Name	Age (in Yrs.)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Yrs.	Previous Employment	Designation held in previous employment	Previous employment held since
38.	Sheela Mohan	50	Vice President	M.Tech - Computer Science	3,460,195	06.12.1999	28	Cadence Design Systems (India) Pvt. Ltd.	Program Manager	May.98
39.	Shivakumar Krishnamurthy	57	Vice President - Business	B.Tech - Mechanical	2,657,789	25.05.2004	33	HCL America Inc.	Vice President - Sales	Sep.03
40.	Sreehari Krishnapuram	45	Associate Vice President	PGD - Business Administration	6,628,934	09.07.2009	24	HCL Technologies Ltd.	Consultant	Aug.08
41.	Subramani Venkataraman	51	Operations Director	MBA - Marketing Management	5,081,021	11.09.2008	27	Global Automation	Delivery Head - Projects	Feb.95
42.	Surinder Pal Singh Arora	38	Global Operations Director	CA	765,762	26.05.2014	16	Aegis Limited	Vice President	Oct.09
43.	Swaminathan Nagarajan	49	Associate Vice President	MBA - Management	6,915,442	27.11.2003	26	India Software Group	Principal Consultant	Jul.02
44.	Tajeshwar Singh	38	Director & Chief Solution Architect	B.Tech - Electronics	9,708,455	8-Feb-01	16	Microland Ltd.	Network Engineer	Feb.00
45.	Thiagarajan Suryanarayanan	38	Vice President	MBA - HR/Industrial Relations	2,406,620	21.05.2014	17	Accenture Services Pvt. Ltd.	Analyst	Dec.02
46.	Udayakumar Nalinasekaren	54	Executive Vice President	ME - Computer Science	8,272,189	02.07.1984	29	Hewlett Packard Ltd.	Group Project Manager	Jul.84
47.	Vineet Nayar	51	Vice Chairman & Joint Managing Director	MBA	14,747,627	01.08.2008	29	HCL Comnet Systems & Services Ltd.	Chief Executive Officer	Jan.95
48.	Vipul Soni	37	Vice President	MBA	2,475,740	18.03.2014	12	Accenture Services Pvt. Ltd.	Senior Manager	Jul.07
49.	Xavier Chelladurai	55	Associate Vice President	Phd - Computer Science	3,080,309	10.07.2000	31	ST. Xaviers College	Reader 7 Head Dept. of Comp. Sci.	Jul.83

Notes:
1. None of the employees listed above is a relative of any director of the Company.
2. The nature of employment is contractual in all the above cases.
3. None of the employee listed above owns 2% or more of the paid-up equity share capital of the Company.
4. The above statement covers the remuneration paid by the Company and not by any subsidiary/ies.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India
Date : July 31, 2014

SHIV NADAR
Chairman and Chief Strategy Officer

CORPORATE GOVERNANCE REPORT 2013-14

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholders value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building efficient and sustainable environment.

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. Effectiveness of the Corporate Governance in the Company depends on regular review, preferably regular independent review. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage. The Company considers the maintenance of fair and transparent corporate governance to be one of its most important management issue, and enhance its organizational systems and structures accordingly. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company.

Philosophy on Code of Governance

Our Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosures levels. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries in which we operate.
- Management is the trustee of the shareholders' capital and not the owner.

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

Board of Directors ("Board")

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship to protect and enhance stakeholders' value through strategic supervision of the Company and its subsidiaries.

Our Company is headed by an effective Board that exercises leadership, integrity and judgment in directing so as to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This is reflected in our governance practices, under which we strive to maintain an active, informed and independent Board. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

Board Size and Composition

The Board of Directors ("Board") is at the core of our Corporate Governance practices and oversees how the management serves and protects the long term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance.

The Board of the Company has an optimum combination of Executive, Non-executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. During the year, a majority of the Board comprised of Independent Directors. Independent Directors play a critical role in imparting balance to the Board processes by bringing independent judgments on issues of strategy, performance, resources, standards of the Company, conduct etc.

As on June 30, 2014, the Board consisted of 10 members, of which, one is the promoter director who is designated as Chairman and Chief Strategy Officer of the Company. The other nine directors are Non-Executive Directors, of which, 7 are the Independent Non-executive Directors. During the year under review, Mr. Vineet Nayar (DIN 02007846) and Mr. Subroto Bhattacharya (DIN 00009524), Directors of the Company who were liable to retire by rotation in the last Annual General Meeting of the Company held on December 27, 2013 had expressed their unwillingness to seek re-appointment as Directors of the Company. Accordingly, Mr. Nayar and Mr. Bhattacharya were not reappointed as Directors and it was resolved not to fill the vacancies so caused.

Composition of the Board and the Directorships held as on June 30, 2014 is as follows:

Name of Director	Position in the Company	**Directorships in Indian public limited companies** (including HCL Technologies Ltd.)	**Directorships/ memberships in all other companies/ trust/ other entities** (including overseas companies)	**Committee memberships*** (including HCL Technologies Ltd.)	**Committee Chairmanships*** (including HCL Technologies Ltd.)	**No. of shares held (of ₹2 each)**
Mr. Shiv Nadar (DIN 00015850)	Chairman and Chief Strategy Officer	1	23	1	-	184
Ms. Roshni Nadar Malhotra (DIN 02346621)	Non-Independent Non-Executive Director	1	28	1	-	174
Mr. Sudhindar Krishan Khanna (DIN 01529178)	Non-Independent Non-Executive Director	4	5	1	1	Nil
Ms. Robin Ann Abrams (DIN 00030840)	Independent Non-Executive Director	1	4	2	1	Nil
Mr. Amal Ganguli (DIN 00013808)	Independent Non-Executive Director	11	4	6	4	Nil
Mr. Keki Mistry (DIN 00008886)	Independent Non-Executive Director	14	3	6	4	Nil
Mr. Ramanathan Srinivasan (DIN 00575854)	Independent Non-Executive Director	3	15	2	-	Nil
Dr. Sosale Shankara Sastry (DIN 05331243)	Independent Non-Executive Director	1	1	-	-	Nil
Mr. Srikant Madhav Datar (DIN 01893883)	Independent Non-Executive Director	1	4	1	2	Nil
Mr. Subramanian Madhavan (DIN 06451889)	Independent Non-Executive Director	1	1	1	1	700

Note: Mr. Shiv Nadar and Ms. Roshni Nadar Malhotra are related as Father and Daughter, respectively. No other Director is related to any other Director on the Board.

** Chairmanships / memberships of only Audit Committee and Stakeholders' Relationship Committee of the Indian public limited companies have been considered.*

Brief Profile of the Board Members

Mr. Shiv Nadar

Mr. Shiv Nadar, aged 69 years, is an Electrical Engineer from Coimbatore in South India. Mr. Shiv Nadar established HCL as a startup in 1976. Acknowledged as a visionary by the IT industry and his peers, Mr. Shiv Nadar has often made daring forays based on his conviction of the future. The University of Madras and IIT Kharagpur awarded him an Honorary Doctorate Degree in Science for his outstanding contribution to IT in India. In recognition of his pioneering role in business and philanthropy in India and across the globe, Mr. Nadar has received several honours and accolades, notable being the Padma Bhushan from the President of India in 2008 and the BNP Paribas Grand Prize for Individual Philanthropy in 2013. Determined to give back to the society that supported him, Mr. Nadar has been quietly supporting many significant social causes through the **Shiv Nadar Foundation**. The Foundation has established the not-for-profit SSN College of Engineering in Chennai, ranked among India's top ranked private engineering colleges. A young and a unique research-led interdisciplinary Shiv Nadar University has been identified as India's first Ivy League institution. The Foundation is also running **"VidyaGyan"** schools in Uttar Pradesh that provide free, world class education to rural toppers from economically disadvantaged backgrounds. He also very strongly supports initiatives for the girl child and the empowerment of women.

Ms. Roshni Nadar Malhotra

Ms. Roshni Nadar Malhotra, aged 32 years is a CEO and Executive Director of HCL Corporation Pvt. Ltd. She brings a global outlook, strategic vision and passion for business, social enterprise and institution-building to her varied roles at HCL Corporation and the Shiv Nadar Foundation. Ms. Roshni is also a Trustee of the Shiv Nadar Foundation, which among its transformational educational initiatives has established the SSN Institutions in Chennai, today among the top private engineering and business schools in India, the interdisciplinary Shiv Nadar University in the National Capital Region of Delhi, VidyaGyan schools in Uttar Pradesh, Shiv Nadar Schools and the iconic Kiran Nadar Museum of Art and Shiksha, an innovative technology-led intervention in education envisioned to eradicate illiteracy from India.

She is the driving force behind the VidyaGyan schools in Uttar Pradesh, a radical initiative to induct and transform meritorious rural children from economically challenged backgrounds and create leaders of tomorrow. As a representative of the Shiv Nadar Foundation, she was involved in a joint initiative with the Rajiv Gandhi

Foundation to promote the education of the Dalit and Muslim girl child in some of the most backward districts in the State of Uttar Pradesh in India. Ms. Roshni has been inducted into the Forum of Young Global Leaders, for her inspiring work in philanthropy and education in India at a very young age. She has been recently conferred the prestigious 'NDTV - Indian of the year- India's Future' award under the 'Philanthropic' category. Ms. Roshni is a MBA from the Kellogg Graduate School of Management with a focus on Social Enterprise, Management and Strategy. At Kellogg, she received the Dean's Distinguished Service Award.

Mr. Sudhindar Krishan Khanna

Mr. Sudhindar Krishan Khanna, aged 61 years, has a Bachelor of Arts (Honors) degree in Economics from St. Stephen's College (New Delhi) and is a Chartered Accountant. He is the Chairman and Managing Director of IEP Mumbai, a leading control oriented PE Fund. He was one of the founding members of Accenture worldwide and became the Country Managing Partner of Accenture in India and the Middle East and a lead member of the Accenture Global Management Team. He was responsible for establishing all major Accenture businesses in India, including ITO, BPO and KPO. Mr. Khanna serves on the board of United Spirits, Peninsula Holdings, Canara HSBC Insurance etc.

Ms. Robin Ann Abrams

Ms. Robin Ann Abrams, aged 63 years, holds both a Bachelor of Arts and a Juris Doctor degree from the University of Nebraska. She was the interim CEO at ZiLOG. She had been the President of Palm Computing and Senior Vice President at 3Com Corporation. She was formerly the President and CEO at VeriFone and also held a variety of senior management positions with Apple Computers. As a Vice President and General Manager of the Americas, she oversaw sales and channel management for U.S., Canada and Latin America. Ms. Abrams spent eight years with Unisys in several senior-level positions and also served several U.S. public company Boards and several academic advisory committees.

Mr. Amal Ganguli

Mr. Amal Ganguli, aged 74 years is a fellow member of the Institute of Chartered Accountants of India and the Institute of Chartered Accountants in England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A. He was the Chairman and Senior Partner of PricewaterhouseCoopers, India till his retirement in 2003. Besides his qualification in the area of accounting and auditing, he is an alumnus of IMI, Geneva. During his career spanning over 42 years, his range of work included international tax advice and planning, cross border investments, corporate mergers and re-organization, financial evaluation of projects, management, operational and statutory audit and consulting projects funded by international funding agencies.

Mr. Keki Mistry

Mr. Keki Mistry, aged 59 years is the Vice Chairman & Chief Executive Officer of HDFC Ltd. He is a Chartered Accountant from the Institute of Chartered Accountants of India and a Certified Public Accountant from the Michigan Institute, U.S.A. Besides being on the board of several HDFC Group companies including HDFC Bank, Mr. Mistry is also on the Board of other companies including Sun Pharmaceutical Industries Ltd and Torrent Power Ltd. Some of Mr. Mistry's recognitions include the CFO India Hall of Fame by the CFO India magazine in 2012, the 'CA Business Achiever of the Year' award in the Financial Sector by the Institute of Chartered Accountants of India (ICAI) in 2011, declared as the Best CFO in the Financial Services category by the ICAI for 2008, CNBC TV18's Award for the 'Best Performing CFO in the Financial Services Sector' for three consecutive years - 2006, 2007 and 2008 and CFO of the Year for 2008, selection as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

Mr. Ramanathan Srinivasan

Mr. Ramanathan Srinivasan, aged 68 years, has an Electrical Engineering Degree from Madras University and MBA Degree from Indian Institute of Management, Ahmedabad. He is the Founder, Managing Director of Redington (India) Limited, a 4.6 billion dollar Technology Products Supply Chain Solution Company operating in India, Middle East, Africa and Turkey. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company. His experience also includes a number of years with Readers Digest and the Coca-Cola Corporation in India.

Dr. Sosale Shankara Sastry

Dr. Sosale Shankara Sastry, aged 58 years, is currently the Dean of Engineering at University of California, Berkeley. Dr. Sastry is B.Tech from Indian Institute of Technology, Bombay; M.S. EECS (1979), University of California, Berkeley; M.A. Mathematics (1980), University of California, Berkeley and Ph.D. EECS, University of California, Berkeley. His areas of personal research are embedded control, cybersecurity, autonomous software for unmanned systems (especially aerial vehicles), computer vision, nonlinear and adaptive control, control of hybrid and embedded systems, and network embedded systems and software. He has been concerned with cybersecurity and critical infrastructure protection. He has co-authored over 450 technical papers and 9 books. During his career, the positions held by him include Member, Scientific Advisory Board for Singapore National Research Foundation and Member of Science and Technology Advisory Board for the Thai Prime Minister.

Mr. Srikant Madhav Datar

Mr. Srikant Madhav Datar, aged 61 years, is the Arthur Lowes Dickinson Professor at Harvard University. He is a graduate from the Indian Institute of Management, Ahmedabad, is a Chartered Accountant and a Cost and Works Accountant. He also holds two Masters degrees and a Ph.D. from Stanford University. He is a co-author of the leading cost accounting textbook, Cost Accounting: A Managerial Emphasis, and Rethinking the MBA: Business Education at a Crossroads. He has published his research on activity-based management, quality, productivity, time-based competition, new product development, bottleneck management, incentives, performance evaluation and corporate governance in several prestigious journals. He has served on the editorial boards of several journals and presented his research to corporate executives and academic audiences in North America, South America, Asia, Africa and Europe. He is a member of the American Accounting Association and the Institute of Management Accountants.

Mr. Subramanian Madhavan

Mr. Subramanian Madhavan, aged 57 years was a Senior Partner and Executive Director in PricewaterhouseCoopers from where he retired. He was responsible for leadership development and coaching through annual performance planning for all leadership positions. His responsibility also included oversight and delivery of sectorally focused firm wide services, from Assurance to Advisory and Tax, being a primary relationship partner for several global clients. He was also a long standing leader of the indirect tax practice in PricewaterhouseCoopers and is nationally and globally recognized as a leading subject matter expert in that area. He is currently the Co-Chairman of the GST Task Force in FICCI, has been the past President Northern Region, Indo American Chamber of Commerce and the past Co-Chairman of the Taxation Committee, Assocham.

Memberships on other Boards

Executive Directors are also allowed to serve on the Board/ Committee of Corporate(s) or Government bodies whose interest are germane to the future of software business, or on the Board of key economic institutions of the nation or whose primary objective is benefiting society.

There is no limitation on the Directorships/Committee memberships for other directors except those imposed by law and good corporate governance.

Directors' Responsibilities

(a) In addition to the duties and responsibilities entrusted on the Directors of the Company as per the provisions of the Companies Act, it is the elementary responsibility of the Board members to oversee the management of the Company and in doing so, serve in the best interest of the Company and its stockholders. This responsibility inter-alia shall include:

- Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.
- Evaluate whether the corporate resources are being used only for appropriate business purposes.
- Establising a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal responsibilty, high ethical standards and compliance with all applicable laws and regulations.
- Evaluating the performance of the Company and its senior executives and taking appropriate action, including removal, where warranted.
- Evaluating the overall effectiveness of the Board and its Committees.
- To attend the Board, Committee and shareholders meetings.

(b) **Exercise business judgment:** In discharging their fiduciary duties of care and loyalty, the directors are expected to exercise their business judgment to act, what they reasonably believe to be, in the best interest of the Company and its stakeholders.

(c) **Understand the Company and its business:** The directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial conditon of the Company and the significant subsidiaries and business segments.

(d) **To establish effective systems:** The directors are responsible for determining that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company including the following:

- Current business and financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
- Compliance programs to assure the Company's compliance with laws and corporate polices.
- Material litigation and governmental and regulatory matters.

Board meetings functioning and procedure

Board Meeting - Calendar: The probable dates of the board meetings for the forthcoming year are decided in advance and published as part of the Annual Report.

Board Meeting - Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulations. The Company effectively uses teleconferencing facility to enable the participation of Directors who could not attend the same due to some urgency.

Board Meeting - Location: The location of the Board meetings are informed well in advance to all the Directors. Each director is expected to attend the Board meetings.

Board Meeting - Matters: All divisions/ departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussions/ approval/ decision of the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings.

Board material/ Agenda distributed in advance: The agenda for each board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every board member is free to suggest items for inclusion in the agenda.

Presentations by management: The Board is given presentations covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy and the risk management practices before taking on record the financial results of the Company.

Access to employees: The directors are provided free access to officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of matters being considered.

Availability of information to Board members: The information placed before the Board includes annual operating plans and budgets, including operating and capital expenditure budgets, quarterly financial results of the Company both consolidated and standalone basis, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimization procedures, update on the state of the market for the business and the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non-compliances, if any, information on recruitment/remuneration of senior officers, show cause/ demand notices if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

Post meeting follow - up mechanism: The guidelines for Board and Committee(s) meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board/ Committee(s) meetings are promptly communicated to the concerned departments/ divisions. Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee(s) for information and review by the Board/ Committee(s).

Number of Board Meetings and the dates on which these were held

Seven Board meetings were held during the year ended June 30, 2014. These were held on July 29 & 31, 2013, October 15 & 17, 2013, November 22, 2013, December 27, 2013, January 14 & 16, 2014, February 11, 2014 and April 15 & 17, 2014. The following table gives the attendance record of the Board meetings held during the year and the last Annual General Meeting:

Name of Director	No. of board meetings held	No. of board meetings attended	Whether attended last AGM
Mr. Shiv Nadar	7	6	Yes
Mr. Amal Ganguli	7	7	Yes
Mr. Keki Mistry	7	6	Yes
Mr. Ramanathan Srinivasan	7	4^	No
Ms. Robin Ann Abrams	7	5	No
Ms. Roshni Nadar Malhotra	6	6	Yes
Dr. Sosale Shankara Sastry	7	4^	No
Mr. Srikant Madhav Datar	7	4^	No
Mr. Subramanian Madhavan	7	6	No
Mr. Subroto Bhattacharya*	3	-	No
Mr. Sudhindar Krishan Khanna	7	7	Yes
Mr. Vineet Nayar*	3	3	No

**Mr Vineet Nayar and Mr. Subroto Bhattacharya ceased to be Directors of the Company w.e.f. December 27, 2013.*
^ attended one meeting through conference call.

Board Committees

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board, as a part of good corporate governance. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action.

As on June 30, 2014, the Company has six Board Committees viz. Audit Committee, Nomination and Remuneration Committee, Finance Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Employees' Stock Option Allotment Committee. The Risk Management Committee that was dissolved during the year has been re-constituted by the Board in its meeting held on July 29-31, 2014.

Keeping in view the requirements of the Companies Act as well as Clause 49 of the Listing Agreement, the Board decides the terms of reference of various committees which set forth the purposes, goals and responsibilities of the Committees. All observations, recommendations and decisions of the committees are placed before the Board for information or for approval.

Frequency and length of meeting of the Committees of the Board and Agenda

The Chairman of each Committee of the Board, in consultation with the Chairman of the Board and appropriate members of management determine the frequency and length of the meeting of the Committees and develop the Committees' agenda. The agenda of the Committee meetings is shared with all the members of the Committee.

Chairmanship / Membership of Directors in Committees of the Board of Directors of the Company:

Sl. No.	Director	Audit Committee	Nomination and Remuneration Committee*	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Employees' Stock Option Allotment Committee	Risk Management Committee
Executive Directors								
1.	Mr. Shiv Nadar	N.A.	Member	Member	Chairman	Member	Member	N.A.
Non-Independent Non-Executive Directors								
2.	Ms. Roshni Nadar Malhotra	N.A.	Member	Member	Member	N.A.	N.A.	N.A.
3.	Mr. Sudhindar Krishan Khanna	N.A.	N.A.	N.A.	N.A.	Member	N.A.	N.A.
Independent Non-Executive Directors								
4.	Mr. Amal Ganguli	Chairman	N.A.	N.A.	N.A.	Chairman	N.A.	Chairman
5.	Mr. Keki Mistry	Member	N.A.	N.A.	N.A.	N.A.	N.A.	Member
6.	Mr. Ramanathan Srinivasan	N.A.	Chairman	N.A.	N.A.	Member	N.A.	N.A.
7.	Ms. Robin Ann Abrams	Member	Member	N.A.	N.A.	N.A.	N.A.	Member
8.	Dr. Sosale Shankara Sastry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9.	Mr. Srikant Madhav Datar	N.A.	Member	N.A.	N.A.	N.A.	N.A.	N.A.
10.	Mr. Subramanian Madhavan	Member	N.A.	Chairman	Member	N.A.	Member	Member

NOTES:
** Erstwhile Nominations Committee (comprising of Mr. Shiv Nadar as Chairman and Mr. Ramanathan Srinivasan as Member) and Erstwhile Compensation Committee (comprising of Mr. Ramanathan Srinivasan as Chairman and Ms. Robin Ann Abrams and Mr. Srikant Madhav Datar as Members of the Committee) were merged by the Board in its meeting held on April 15 & 17, 2014 in light with the provisions of the Companies Act, 2013 and named it as "Nomination and Remuneration Committee".*

The Chairmanship/ Membership of the Directors in Committees of the Board of Directors of the Company given in the above table are as on June 30, 2014 (except for Risk Management Committee which was re-constituted by the Board of Directors in its meeting held on July 29-31, 2014).

1. Audit Committee

As on June 30, 2014, the Audit Committee comprises of four Independent Directors namely:

a) Mr. Amal Ganguli (Chairman)

b) Ms. Robin Ann Abrams

c) Mr. Subramanian Madhavan

d) Mr. Keki Mistry*

** Mr. Keki Mistry was appointed as a member w.e.f. October 15, 2013.*

During the year under review, Mr. Subroto Bhattarcharya ceased to be the member of the Audit Committee w.e.f. December 27, 2013.

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference

The Board of Directors in its meeting held on April 15 & 17, 2014 and in its meeting held on July 29-31, 2014 modified the terms of reference of the Audit Committee keeping in view the requirements under the Companies Act, 2013 and requirements under revised Clause 49 of the Listing Agreement (to be effective from October 1, 2014). These terms of reference are as under:

a) Statutory Auditors

Recommend to the Board the appointment, re-appointment and if required, the replacement or removal of the statutory auditors, including filling of a casual vacancy, fixation of audit fee/ remuneration, terms of appointment and also provide prior approval of the appointment of and the fees for any other services rendered by the statutory auditors. Provided that the statutory auditors shall not render services prohibited to them by Section 144 of the Companies Act, 2013 or by professional regulations.

The Audit Committee shall take into consideration the qualifications and experience of the firm proposed to be considered for appointment as auditors as specified under Section 141 of the Companies Act, 2013 and whether these are commensurate with the size, nature of business and requirements of the Company and also consider any completed and pending proceedings against the proposed firm of auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

The Audit Committee shall recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.

b) Review and monitor independence and performance of statutory auditors and Effectiveness of Audit Process

In connection with recommending the firm to be retained as the Company's statutory auditors, review and monitor the information provided by the management relating to the independence of such firm and performance and effectiveness of audit process, including, among other things, information relating to the non-audit services provided and expected to be provided by the statutory auditors.

The Audit Committee is also responsible for:

i) Actively engaging in dialogue with the statutory auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and

ii) Recommending that the Board takes appropriate action in response to the statutory auditors' report to satisfy itself of their independence.

c) Review audit plan

Review with the statutory auditors their plans for, and the scope of, their annual audit and other examinations.

d) Conduct of audit

Discuss with the statutory auditors the matters required to be discussed for the conduct of the audit.

e) Review and examination of Audit Results

Review and examine with the management and the statutory auditors the proposed report on the annual audit, areas of concern, the accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside of the course of the statutory auditors' normal audit procedures that they may from time to time undertake.

f) Review and examination of Financial Statements

Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible and evaluation of internal financial controls and risk management systems, to obtain reasonable assurance based on evidence regarding processes followed and their appropriate testing that such systems are adequate and comprehensive and are working effectively. The Audit Committee shall review with appropriate officers of the Company and the statutory auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 217 (2AA) of the Companies Act, 1956 and Section 134(5) of the Companies Act, 2013.
2. Any changes in accounting policies and practices and reasons for the same.
3. Major accounting entries based on exercise of judgment by management.
4. Qualifications in draft audit report.
5. Significant adjustments made in the financial statements arising out of audit.
6. The going concern assumption.
7. Compliance with accounting standards.
8. Compliance with stock exchange and legal requirements concerning financial statements.
9. Any related party transactions i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
10. Contingent liabilities.
11. Status of litigations by or against the Company.
12. Claims against the Company and their effect on the accounts.

The definition of the term "Financial Statement" shall be the same as under section 2(40) of the Companies Act, 2013.

g) Review Quarterly Results

Reviewing with the management, the quarterly/interim financial statements before submission to the Board for approval.

h) Risk Management functions

The Audit Committee shall perform the following Risk Management Functions:

1. Assist the Board in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks.
2. Review and approve the Risk management policy and associated framework, processes and practices.
3. Assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
4. Evaluating significant risk exposures including business continuity planning and disaster recovery planning.
5. Assessing management's actions in mitigating the risk exposures in a timely manner.
6. Promote Enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the Management of the Company ensures the implementation and effective functioning of the entire risk management process and embedding of a comprehensive risk management culture in the Company at every stage of its operations.
7. Assist the Board in maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organization of their actions and decisions.
8. Maintaining an aggregated view on the risk profile of the Company/ Industry in addition to the profile of individual risks.
9. Ensure the implementation of and compliance with the objectives set out in the Risk Management Policy.
10. Advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.

The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required, the Committee may assign tasks to the Internal Auditor, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

i) Review the performance of the Internal and External Auditors

Review with the management the performance of the statutory and internal auditors and the existence, adequacy and effective functioning of the internal control systems including internal control system over financial reporting, based on appropriate and effective evidence and such other matters as may be required.

j) Oversight Role

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure the financial statements are correct, sufficient and credible.

k) Review internal audit function

Review the adequacy of the internal audit function, including the structure of the internal audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the reporting structure, coverage and frequency of internal audit.

l) Review Internal Audit plans

Review with the senior internal audit executive and appropriate members of the staff of the internal auditing department the plans for and the scope of their ongoing audit activities and also review and approve the periodicity and programme for conducting the internal audit.

m) Review Internal Audit reports

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the periodic reports of the findings of the audit and reports and the necessary follow up and implementation of correction of errors and other necessary actions required. The Audit Committee shall also review the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken. Any such matters shall be reported to the Board if necessary and appropriate.

n) Review systems of internal financial controls

Review with the statutory auditors and the senior internal auditor to the extent deemed appropriate by the Chairman of the Audit Committee, the adequacy of the Company's internal financial controls as defined in Section 134 of the Companies Act, 2013.

o) Review and ensure the existence, adequacy and effective functioning of a Vigil Mechanism/Whistle Blower Policy appropriate to the size, complexity and geographic spread of the Company and its operations

The Vigil mechanism/Whistle Blower Policy set up/formulated by the Company shall provide for adequate safeguards against victimization of all persons referring any matter under the mechanism and shall also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Matters referred and the action taken shall be regularly reported to the Audit Committee once a quarter or more frequently. The mechanism and policy shall cover whistle blower and complaint references of all kinds, including alleged fraud by or against the Company, abuse of authority, misbehavior, ill treatment and unfair treatment of all kinds including all allegations and charges of harassment, sexual or otherwise, whether made by a named complainant or anonymously. Complaints which are prima facie frivolous in the view of the Whistle Blower Committee of the Company or other committee or group of individuals responsible for investigating complaints and taking suitable action may be closed with appropriate reasons recorded. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

p) Review other matters

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Audit Committee may, in its own discretion, deem desirable in connection with the review functions described above.

q) Reporting to Board

Report its activities to the Board in such manner and at such times, as it deems appropriate.

r) Investigation

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it shall have full access to the information contained in the records of the Company. It may also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.

s) Seek information / advice

The Audit Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.

t) Approval for appointment of Chief Financial Officer

The Audit Committee shall approve the appointment of the Chief Financial Officer of the Company (the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

u) Review and monitor the Statement of Uses and Application of Funds

Review and monitor, with the management, the statement of uses/ application of funds raised through an issue (public, rights, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

v) Review of other Information

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operation.
2. Statement of significant (material) related party transactions submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor of the Company.
6. Inter-corporate loans and investments.
7. Valuation of undertakings and assets of the Company whenever necessary.

w) Basis of Related Party Transactions

1. The statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the Audit Committee.
2. Details of individual transactions with related parties, which are not in the normal course of business, shall be placed before the Audit Committee.
3. Details of individual transactions with related parties or others, which are not on an arm's length basis shall be placed before the Audit Committee together with the management's justification for the selection of the related party and the price and other terms agreed.
4. The Audit Committee shall be responsible for the approval or any subsequent modification of ALL transactions of the Company with related parties.
5. On satisfying itself adequately regarding the reasons for the related party transactions undertaken and the terms and conditions agreed including price and the observation of the arm's length principle, with suitable explanations for any departures, the Audit Committee shall periodically approve the related party transactions.

Explanation: (a) The term "Related Party Transactions" shall have the meaning as contained under Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement which are currently in force or as may be amended from time to time.

(b) The term "Related Party" shall be as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement which are currently in force or as may be amended from time to time.

x) To attend Annual General Meeting

The Chairman of the Audit Committee shall attend the annual general meetings of the Company to provide any clarification on matters relating to its scope sought by the members of the Company.

The statutory auditors of the Company shall be special invitees to the Audit Committee meetings, and they shall participate in discussions related to the audit and reviews of the financial statements of the Company and any other matter that in the opinion of the statutory auditors needs to be brought to the notice of the Audit Committee or any matter in which they are invited by the Audit Committee to participate.

y) Subsidiary Companies

The Audit Committee of the holding company shall also review the financial statements, in particular the inter-corporate loans and investments made by or in the subsidiary companies.

z) Reporting of Fraud by the Auditors

In case the auditor of the Company has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, or by the Company, the auditor shall forward his report to the Audit Committee and the Audit Committee shall send its reply or observations to the auditor and such matters shall be reported to the Board by the Audit Committee.

aa) Cost Auditor

If the Company is required by the Companies Act, 2013 or other legal provision to appoint a cost auditor to have a cost audit conducted, the Audit Committee shall take into consideration the qualifications and experience of the person proposed for appointment as the cost auditor and recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor.

ab) Review of the Terms of Reference of the Audit Committee

The Audit Committee shall review and reassess the adequacy of the terms of reference of the Audit Committee on a periodical basis, and where necessary obtain the assistance of the management, the Group's external auditors and external legal counsel.

ac) Registered Valuer

The Audit Committee shall prescribe terms and conditions, and the appointment of a registered valuer having the requisite qualifications and experience.

Eight meetings of the Audit Committee were held during the year. These were held on July 19, 2013, July 29, 2013, September 30, 2013, October 15, 2013, December 19, 2013, January 14, 2014, April 4, 2014 and April 15, 2014.

Attendance details of each member at the Audit Committee meetings held during the year ended June 30, 2014 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Amal Ganguli	Chairman	8	8
Mr. Keki Mistry#	Member	4	3^
Ms. Robin Ann Abrams	Member	8	8^^
Mr. Srinivasan Madhavan	Member	8	8
Mr. Subroto Bhattacharya*	Member	5	-

** Mr. Subroto Bhattacharya ceased to be the member w.e.f. December 27, 2013.*

 # Mr. Keki Mistry became the member of Audit Committee w.e.f. October 15, 2013.

^ includes 1 meeting attended through conference call.

^^ includes 4 meetings attended through conference call.

2. Corporate Social Responsibility Committee

As per the Companies Act, 2013, all companies having a net worth of ₹500 crores or more, or turnover of ₹1,000 crores or more or a net profit of ₹5 crores or more during any financial year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, atleast one of whom shall be an independent director.

Accordingly, the Board on April 15-17, 2014 constituted the CSR Committee comprising the following members:

a) Mr. Shiv Nadar (Chairman)
b) Ms. Roshni Nadar Malhotra
c) Mr. Subramanian Madhavan

Terms of Reference

The Terms of Reference of the CSR Committee are as under:

1. Formulate and recommend to the Board, a CSR Policy.
2. Recommend the amount of expenditure to be incurred on CSR activities.
3. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
4. Monitor CSR policy from time to time.

3. Nomination and Remuneration Committee

The Board merged the existing Nominations Committee and Compensation Committee in its meeting held on April 15 & 17, 2014 in light with the provisions of the Companies Act, 2013 and named it as "Nomination and Remuneration Committee" which consists of the following members:

a) Mr. Ramanathan Srinivasan (Chairman)
b) Ms. Robin Ann Abrams
c) Mr. Srikant Madhav Datar
d) Mr. Shiv Nadar
e) Ms. Roshni Nadar Malhotra*

** Ms. Roshni Nadar Malhotra became the member of the committee w.e.f. June 24, 2014.*

Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

a) Succession planning for certain key positions in the Company viz. Directors, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Senior Management. The Committee to identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

b) Review and recommend to the Board the appointment and removal of directors/Key Managerial Personnel and persons in senior management.

"Senior Management" shall mean corporate officers of the Company.

c) Carry out evaluation of all Directors and Board performance.

d) Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee while formulating the aforesaid policy shall ensure that-

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

e) Formulate the criteria for determining the qualifications, positive attributes and independence of directors.

f) Devising a Policy on Board Diversity.

g) Review and approve/recommend the remuneration for the Corporate Officers, Whole-Time Directors of the Company.

h) Approve inclusion of senior officers of the Company as Corporate Officers.

i) Approve promotions within the Corporate Officers.

j) Regularly review the Human Resource function of the Company.

k) Approve grant of stock options to the employees and / or Directors (excluding Independent Directors and Promoter Directors) of the Company and subsidiary companies and perform such other functions and take such decisions as are required under the various Employees' Stock Option Plans of the Company.

l) Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

m) Make reports to the Board as appropriate.

n) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

During the year under review, one meeting of erstwhile Nominations Committee was held on July 28, 2013 and five meetings of the erstwhile Compensation Committee were held via conference call on July 22, 2013, October 15, 2013, December 15, 2013, January 6, 2014 and April 8, 2014.

Attendance details of each member at the erstwhile Nominations Committee meeting held, before its merger into Nomination and Remuneration Committee, during the year ended June 30, 2014 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Shiv Nadar	Chairman	1	1
Mr. Ramanathan Srinivasan	Member	1	1

Attendance details of each member at the erstwhile Compensation Committee meetings held via conference call, before its merger into Nomination and Remuneration Committee, during the year ended June 30, 2014 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Ramanathan Srinivasan	Chairman	5	5
Ms. Robin Ann Abrams	Member	5	5
Mr. Srikant Madhav Datar	Member	5	5

Remuneration Policy and criteria of making payments to Executive and Non-Executive Directors

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practices.

The criteria for making payments to Executive and Non-Executive Directors of the Company are as under:

Executive Directors:

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board the same is put up for the shareholders' approval. Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

During the year, the composition of the Board consisted of 2 Executive Directors viz. Mr. Shiv Nadar and Mr. Vineet Nayar. Mr. Vineet Nayar ceased to be the Executive Director w.e.f. July 31, 2013. There are no separate provisions for the service of notice period and payment of severance fee by the Executive Directors at the time of their termination. The remuneration paid to Mr. Shiv Nadar for the year ended June 30, 2014 from the Company/subsidiaries and to Mr. Vineet Nayar for the part of the year from the Company is as under:

Remuneration to Mr. Shiv Nadar from the Company:

Particulars	₹ in crores
Salary	1.80
Allowances and Perquisites	10.05
Contribution to Provident Fund	0.22
Total	**12.07**

In addition, Mr. Shiv Nadar received ₹ 4.71 crores as salary and perquisites from the subsidiaries of the Company. The overall compensation is in accordance with the approval given by the Board and Shareholders of the Company.

Remuneration to Mr. Vineet Nayar from the Company:

Particulars	₹ in crores
Salary	0.20
Allowances and Perquisites	1.25
Contribution to Provident Fund	0.02
Total	**1.47**

Mr. Vineet Nayar was Executive Director of the Company for part of the year and he ceased to be the Executive Director w.e.f. July 31, 2013.

Mr. Vineet Nayar was also granted Stock Options of the Company. The details of the same as on June 30, 2014 are as under:

Grant Date	Number of Options Granted*	Grant Price Per Option (₹)	Vesting Details#		Options Exercised so far
			No. of options Vested/ to be vested	Vesting Dates	
24-Oct-2005	7,50,000	8.00	2,50,000	01-Jul-2008	2,50,000
			2,50,000	01-Jul-2009	2,50,000
			2,50,000	01-Jul-2010	2,50,000
24-Aug-2009	1,75,000	8.00	1,75,000	31-Aug-2010	1,75,000
19-Oct-2010	12,50,000	8.00	2,50,000	01-Jan-2012	2,50,000
			2,50,000	01-Jan-2013	2,50,000
			2,50,000	01-Jan-2014^	Forfeited
			2,50,000	01-Jan-2015^	Forfeited
			2,50,000	01-Jan-2016^	Forfeited

** Each option entitles 4 equity shares of face value of ₹2 each.*
 # The options are exercisable within 5 years from the date of vesting.
^ Mr. Vineet Nayar ceased to be the Executive Director of the Company w.e.f. July 31, 2013 and accordingly the options not vested got forfeited.

Non-Executive Directors:

During the year, the Company paid sitting fees to its Non-Executive Directors (as stated in the table below) for attending the meetings of the Board of Directors, Audit Committee and Finance Committee of the Company. The Company pays commission to its Non-Executive Directors as approved by the Board within the limits approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors, does not exceed 1% of the net profits of the Company in a financial year. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

The sitting fees and commission paid / payable to the Non-Executive Directors for the year ended June 30, 2014 are as under:

Name of the Director	Sitting Fees for the year ended June 30, 2014	Commission for the year ended June 30, 2014
	₹ in lacs	
Mr. Amal Ganguli	3.40	39.00
Mr. Keki Mistry	1.60	30.00
Mr. Ramanathan Srinivasan	0.60	51.00
Ms. Robin Ann Abrams	1.80	51.00
Ms. Roshni Nadar Malhotra	-	23.00
Dr. Sosale Shankara Sastry	0.60	45.00
Mr. Srikant Madhav Datar	0.60	45.00
Mr. Subramanian Madhavan	2.80	31.00
Mr. Sudhindar Krishan Khanna	1.80	29.00

Note:- The service tax on commission amounting to ₹42.52 lacs shall be paid by the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

4. Finance Committee

The Finance Committee consists of the following members:

a) Mr. Amal Ganguli (Chairman)
b) Mr. Shiv Nadar
c) Mr. Ramanathan Srinivasan
d) Mr. Sudhindar Krishan Khanna

Terms of Reference

The Terms of Reference of the Finance Committee are as under:

a) To review and approve the capital structure plans and specific equity and debt financings and recommend the same for approval to the Board.

b) To review and approve the annual budgets and other financial estimates and provide its recommendations to the Board.

c) To review the actual performance of the Company against the budgets.

d) To review and approve the capital expenditure plans and specific capital projects and recommend the same to the Board for approval.

e) To evaluate the performance of and returns on approved capital expenditure.

f) To consider and approve the proposal which involves funding assets on operating and / or financial lease in the normal course of business.

g) To review and approve the proposals for mergers, acquisitions and divestitures and provide its recommendations to the Board.

h) To evaluate the performance of acquisitions.

i) To consider and approve the proposals for fresh investments by way of infusion of capital and/or providing of loan and any further investments (by capital / loan) in wholly owned subsidiaries / Branches and providing any guarantees for funding the same.

j) To evaluate the performance of subsidiaries / JVs / Branches.

k) To plan and strategize for managing the foreign exchange exposure - The Committee to approve the hedging policy and monitor its performance.

l) To approve the investment policy and review the performance thereof.

m) To recommend dividend policy to the Board.

n) To review and approve the insurance coverage and program for the Company.

o) To consider and approve the guarantees / bonds provided by the Company either directly or through banks in connection with the Company's business.

p) To approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.

q) To perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.

r) To delegate authorities from time to time to the Executives / Authorised persons to implement the decisions of the Committee within the powers authorised above.

During the year under review, the Committee met 3 times.

5. Stakeholders' Relationship Committee

The existing Shareholders' Committee was renamed as "Stakeholders' Relationship Committee" by the Board in its meeting held on April 15 & 17, 2014 in light with the provisions of the Companies Act, 2013. During the year, the Stakeholders' Relationship Committee was re-constituted and consists of the following members:

a) Mr. Subramanian Madhavan (Chairman)*

b) Mr. Shiv Nadar

c) Ms. Roshni Nadar Malhotra*

**Mr. S. Madhavan and Ms. Roshni Nadar Malhotra were appointed as members of the Committee w.e.f. October 15, 2013 and January 14, 2014 respectively.*

Mr. Vineet Nayar and Mr. Subroto Bhattacharya ceased to be member of the Committee w.e.f. December 27, 2013.

Terms of Reference

The Stakeholders' Relationship Committee has been formed to undertake the following activities:

a) To review and take all necessary actions for redressal of grievances and complaints of security holders as may be required in the interests of the security holders.

b) To approve requests of rematerialisation of shares/ securities, issuance of split and duplicate shares/security certificates.

During the year under review, the Committee met six times.

Name, Designation and Address of Compliance Officer
Mr. Manish Anand
Associate Vice President & Company Secretary
HCL Technologies Limited
A-10 & 11, Sector - 3,
Noida - 201301 U.P., India
Tel. +91-120-2520917 / 937 / 997
Fax: +91-120-2526907
E-mail: manishanand@hcl.com

Investors' Grievances

The following table shows the Shareholders' complaints received during the year 2013-14:

Source of Complaint	Received	Resolved
Directly from the Investors	18	18
Through SEBI, Stock Exchanges, etc.	3	3
Total	**21**	**21**

6. Employees' Stock Option Allotment Committee

The Employees' Stock Option Allotment Committee consists of the following members:

a) Mr. Shiv Nadar

b) Mr. Subramanian Madhavan^

c) Mr. Anil Kumar Chanana

^ *Mr. Subramanian Madhavan was appointed as a member of the Committee w.e.f. October 15, 2013.*

Mr. Vineet Nayar and Mr. Subroto Bhattacharya ceased to be members of the Committee w.e.f December 27, 2013.

The role of this Committee is to allot shares to the employees who have exercised their stock options under the Stock Option Plans of the Company.

During the year under review, the Committee met 19 times.

7. Risk Management Committee

The Risk Management Committee was in existence to review and perform the Risk Management Functions. In compliance with the provisions of the Companies Act, 2013, the Board conferred the terms of reference of Risk Management Committee on Audit Committee in its meeting held on April 15-17, 2014 and consequently the Risk Management Committee was dissolved.

Thereafter, pursuant to the circular no. CIR/CFD/POLICY CELL/ 2014 dated April 17, 2014 of Securities and Exchange Board of India, the Board in its meeting held on July 29-31, 2014 re-constituted the Risk Management Committee.

The Risk Management Committee consists of the following members:

a) Mr. Amal Ganguli (Chairman)

b) Ms. Robin Ann Abrams

c) Mr. Subramanian Madhavan

d) Mr. Keki Mistry

Terms of Reference

The Terms of Reference of the Risk Management Committee are as follows:

1. Assist the Board of Directors ("Board") in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks.

2. Assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.

3. Review and approve the Risk management policy and associated framework, processes and practices.

4. Evaluating significant risk exposures including business continuity planning and disaster recovery planning.

5. Assessing management's actions in mitigating the risk exposures in a timely manner.

6. Promote Enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the Management of the Company ensures the implementation and effective functioning of the entire risk management process and embedding of a comprehensive risk management culture in the Company at every stage of its operations.

7. Assist the Board in maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organization of their actions and decisions.

8. Maintaining an aggregated view on the risk profile of the Company/ Industry in addition to the profile of individual risks.

9. Ensure the implementation of and compliance with the objectives set out in the Risk Management Policy.

10. Advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.

11. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.

12. The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required the Committee may assign tasks to the Internal Auditor, the Company's internal Risk management team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

Succession Planning

Succession Planning aids the Company in identifying and developing internal people with the potential to fill certain key positions in the Company viz. Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Senior Management. It increases the availability of experienced and capable employees that are prepared to assume these roles as they become available. Succession Planning is a part of the charter of the Nomination and Remuneration Committee of the Company. The Committee shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.

Independence of Statutory Auditors

The Board ensures that the statutory auditors of the Company are independent and have arm's length relationship with the Company.

Materially significant related party transactions

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the year ended June 30, 2014.

Code of Business Ethics and Conduct

The Board has prescribed a Code of Business Ethics and Conduct (COBEC) that provides for transparency, ethical conduct, a gender friendly workplace, legal compliance and protection of Company's property and information. COBEC is a set of guiding principles and covers all directors, employees, third party vendors, consultants and customers across the world. For Independent Directors COBEC also includes duties as mentioned in Schedule IV of the Companies Act, 2013. COBEC is periodically reviewed taking into account the prevailing business and ethical practices. The code is also posted on the website of the Company.

All Board members and senior management personnel have confirmed compliance with the Code for the year 2013-14. A declaration to this effect signed by the Chairman and Chief Strategy Officer and Chief Executive Officer of the Company is provided elsewhere in this Report.

Code for Prevention of Insider Trading

The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code for prevention of Insider Trading inter-alia prohibits purchase/sale of shares of the Company by employees/directors while in possession of unpublished price sensitive information in relation to the Company. The Company within two working days of receipt of the information under the Initial and Continual disclosures from Directors shall disclose the same to all the Stock Exchanges, where the shares of the Company are listed.

Anti-Bribery Policy and Anti-Corruption Policy

To ensure the Company's policy for conducting its business activities with honesty, integrity and highest possible ethical standards and Company's commitment towards prevention, deterrence and detection of fraud, bribery and other corrupt business practices, the Company has in place Anti-Bribery and Anti-Corruption Policy that applies to the employees at all levels, directors, consultants, agents and other persons associated with the Company, its affiliates and subsidiaries. This policy covers matters relating to hospitality, offset obligations, employment of relatives, guidance on gifts, political/ charitable contributions, extortion/ blackmail responses etc. The same is available on our website www.hcltech.com.

Prevention and Redressal of Sexual Harassment at Work Place Policy

In order to provide a safe and healthy work environment free of any and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Work Place Policy. This policy applies to all employees of the Company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the Company. Any complaints about harassment shall be treated under this policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during course of employment. The Company has constituted a committee for the redressal of all sexual harassment complaints. These matters are also being reported to the audit committee.

Whistle Blower Policy

The principles of Trust through transparency and accountability are at the core of the Company's existence. To ensure strict compliance with ethical and legal standards across the Company, the Whistle Blower Policy is in place to provide appropriate avenues to the directors, employees, contractors, contractors' employees, clients, vendors, internal or external auditors, consultants, law enforcement/ regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or Whistle Blower Policy. All cases registered under the Whistle Blower Policy of the Company are reported to Ombudsperson. All complaints received shall be categorized in two broad categories, one involving complaints against CEO/CFO/ CHRO/President/Corporate Officers which shall be investigated by Company's Chairman's Office and the one against other employees which shall be investigated by Ombudsperson. The Whistle Blower has direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Audit Committee reviews the policy and process periodically to ensure the existence, adequacy and effective functioning of the Policy and that there are no gaps in the implementation of the Policy. An update on whistle blower cases is also provided to the Audit Committee.

Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India, one of the premier professional bodies in India, has issued secretarial standards on important aspects like board meetings, general meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal, forfeiture of shares and board's report. Although these standards are optional in nature, the Company however substantially adheres to the standards voluntarily.

General Body Meetings

The location and time of the Annual General Meetings held and details of Special Resolution passed thereat during the preceding 3 years are as follows:

Financial Year	Date	Time	Venue	Details of Special Resolution passed
2010-11	November 02, 2011	3.00 P.M.	Air Force Auditorium, Subroto Park, New Delhi -110010	-
2011-12	October 22, 2012	11.00 A.M.	FICCI Auditorium, Federation House, 1 Tansen Marg, New Delhi-110001	-
2012-13	December 27, 2013	11.00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	Approval u/s 309(4)(b) of the Companies Act, 1956 for payment of commission not exceeding one percent of net profits of the Company to all the Non-executive Directors of the Company collectively in each financial year over a period of five years beginning from July 1, 2013.

During the year, no resolution was passed through Postal Ballot and no resolution has presently been approved by the Board which is proposed to be passed through Postal Ballot.

Subsidiary companies

During the year, none of the subsidiaries was a material non-listed Indian subsidiary company as per the criteria given in clause 49 of the Listing Agreement. The Audit Committee of the Company reviews the financial statements and investments made by the unlisted subsidiary companies. The minutes of the board meetings as well as the statements of significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are placed before the Board of Directors of the Company from time to time.

CEO / CFO Certification

The Certificate as stipulated in clause 49(V) of the Listing Agreement was placed before the Board along with the financial statements for the year ended June 30, 2014 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

Disclosures

a) Related party transactions

During the year under review, the Company has not entered into any transaction of a material nature with its subsidiaries, promoters, directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the Company. The Company has obtained requisite declarations from all directors and senior management personnel in this regard and the same were placed before the Board of Directors.

b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

c) Other Disclosures

The Company has in place the Whistle Blower Policy and no personnel has been denied access to the audit committee.

During the year, the Company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.

Means of Communication

a) **Quarterly Results:** Quarterly Results of the Company are generally published inter-alia, in Financial Express and Jansatta newspapers.

b) **Website:** Company's corporate website www.hcltech.com provides comprehensive information on Company's portfolio of businesses. The website has entire section dedicated to Company's profile, its core values, corporate governance, business lines and Industry sections. An exclusive section on 'Investors' enables them to access information at their convenience. The entire Reports as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.

c) **News Releases, Presentations, etc.:** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.hcltech.com. Official media releases are also sent to the Stock Exchanges.

d) **Annual Report:** Annual Report containing, inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditor's Report, Management Discussion and Analysis Statement, Corporate Governance Report and other important information is circulated to members and others entitled thereto. The Annual Report of the Company is available on the Company's website in a user-friendly and downloadable form.

e) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

f) **NSE Electronic Application Processing System:** As per the mandate received from the National Stock Exchange of India Limited ('NSE'), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of NSE i.e. https://www.connect2nse.com/LISTING/.

g) **Online Portal-BSE Corporate Compliance & Listing Centre:** As per the mandate received from BSE Limited ('BSE'), the Company has been uploading its financial information, shareholding pattern, Report on Corporate Governance and press releases on the dedicated website of BSE i.e. https://listing.bseindia.com.

h) **Designated Exclusive email-id:** The Company has the following designated email-id investors@hcl.com exclusively for investors servicing.

Green Initiatives Drive by the Ministry of Corporate Affairs, Government of India

The Company, as a corporate entity, is committed to protect and conserve the natural environment in our operations and services. As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents to the shareholders at their e-mail addresses registered with the Depository participants/Registrar & Share Transfer Agent.

Electronic copies of Annual Report-2014 and notice of the Twenty Second Annual General Meeting (AGM) will be sent to all the members whose email addresses are registered with the Company/ Depositary Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report-2014 and notice of twenty second AGM shall be sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company sends the communications to the shareholders by electronic mode. We request all the shareholders of the Company to register their email addresses with their depositary participants to ensure that the Annual Report and other documents reaches them on their preferred email address. Shareholders who hold shares in physical form are requested to register their email addresses with the Registrar and Share Transfer Agent, by sending a letter duly signed by the first / sole holder quoting details of Folio number.

Investor Relations - Enhancing Investor Dialogue

As a listed entity and a responsible corporate citizen, the Company recognizes the imperative to maintain continuous dialogue with the investor community. The objective of investor interface is to keep investors abreast of significant developments that determine Company's overall performance while at the same time addressing investor concerns. This translates into disseminating timely, accurate and relevant information that helps investors in making informed investment decisions.

To ensure effective communication, the Investor Relations Division effectively provides comprehensive information in the form of Annual Reports, Quarterly Earnings Reports, Investor Releases and also on the Company Website (Investor Relations page weblink: http://www.hcltech.com/investors/fast-facts. Additionally Conference calls, Management Interviews, Face to Face Investor meetings and Annual General Meetings ensure a direct interaction with the Management Team.

The Company management is focused on building investor relations on the pillars of trust, consistency and transparency. Our proactive approach has enabled the investor community to better understand the nature of our business, Management Strategies and Operational Performance over a period of time.

Investors Satisfaction Survey

It is our constant endeavor to improve the standard of our investor services. The Company has stipulated internal timeframes for responding to investors' correspondence and adherence thereof is monitored by the Stakeholders' Relationship Committee (Formerly known as Shareholders' Committee).

In pursuit of excellence in Corporate Governance and to constantly improve standards of service, communication and disclosures; during the year we conducted a small survey to assess the requirement and satisfaction of valuable investors on the following parameters:

1. Timely receipt of Annual Reports, Dividend and other documents.
2. Response time and satisfaction level experienced in Transfer/ Transmission of shares, change of address, revalidation of dividend warrants etc.
3. Quality of information in Annual Report and Investor Section of Company's website.
4. Interaction with Company's officials.
5. Interaction with Registrar and Transfer Agents.
6. Overall rating of our investor services.

The shareholders were asked to respond with any one of the following ratings:

- Excellent
- Good
- Needs Improvement

Approx. 91% of the shareholders have given the rating "Good" or "Excellent".

General Shareholder Information

a.	Annual General Meeting:		
	Date	:	December 4, 2014
	Time	:	11:00 a.m.
	Venue	:	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001
b.	Financial Year	:	1 July - 30 June
c.	Date of Book Closure	:	November 23, 2014 to November 24, 2014 (both days inclusive)
d.	Dividend Payment Date	:	N.A.
e.	Listing of Equity Shares on stock exchanges in India at	:	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, India. Tel.: +91-22-26598236, Fax: +91-22-26598237
			BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India Tel.: +91-22-22721233, Fax: +91-22-22723121
f.	Stock Codes	:	NSE - HCLTECH BSE - 532281
g.	ISIN for Equity Shares	:	INE860A01027
h.	Listing of Non-Convertible Debentures on stock exchanges in India at	:	The Wholesale Debt Market Segment of NSE
i.	Debenture Trustee	:	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate Mumbai 400 023
j.	ISIN for Debentures	:	INE860A07032
k.	Listing Fees	:	Paid to all Stock Exchanges for the year 2014-15
l.	Corporate Identification Number (CIN) of the Company	:	L74140DL1991PLC046369
m.	Registered Office	:	806, Siddharth, 96, Nehru Place, New Delhi - 110 019, India Tel.: +91-11-26444812, Fax: +91-11-26436336 website: www.hcltech.com

n. Stock Market Price Data

The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for fiscal year 2013-14 are as follows:

Month	Share price on BSE		BSE-Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July 2013	949.00	756.00	20351.06	19126.82
August 2013	1044.00	872.00	19569.20	17448.71
September 2013	1104.30	985.00	20739.69	18166.17
October 2013	1177.00	1034.00	21205.44	19264.72
November 2013	1138.00	1044.00	21321.53	20137.67
December 2013	1269.00	1082.85	21483.74	20568.70
January 2014	1470.00	1241.45	21409.66	20343.78
February 2014	1588.65	1365.00	21140.51	19963.12
March 2014	1573.20	1371.60	22467.21	20920.98
April 2014	1462.15	1337.05	22939.31	22197.51
May 2014	1454.55	1257.00	25375.63	22277.04
June 2014	1507.00	1303.00	25688.31	24270.20

Source: This information is compiled from the data available from the website of BSE.

Month	Share price on NSE		NSE-Nifty	
	High (₹)	Low (₹)	High (₹)	Low (₹)
July 2013	949.90	755.80	6093.35	5675.75
August 2013	1044.90	871.70	5808.50	5118.85
September 2013	1590.00	984.25	6142.50	5318.90
October 2013	520.75	471.45	6309.05	5700.95
November 2013	1137.90	1043.00	6342.95	5972.45
December 2013	1270.00	1082.40	6415.25	6129.95
January 2014	1469.90	1240.15	6358.30	6027.25
February 2014	1590.00	1364.00	6282.70	5933.30
March 2014	1576.00	1371.25	6730.05	6212.25
April 2014	1463.80	1335.00	6869.85	6650.40
May 2014	1455.00	1256.00	7563.50	6638.55
June 2014	1508.00	1301.60	7700.05	7239.50

Source: This information is compiled from the data available from the website of NSE.

o. Registrar and Share Transfer Agent:

Alankit Assignments Limited
205-208, Anarkali Market,
Jhandewalan Extension,
New Delhi - 110 055, India.
Tel.: +91-11-42541234, 23541234
Fax: +91-11-42541967
E-mail: rta@alankit.com

p) Share Transfer System

99.95% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained half-yearly certificates from Practicing Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

As on June 30, 2014, no equity share was pending for transfer.

q) Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarters in the financial year ended June 30, 2014 was carried out. The audit reports confirm that the total issued / paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

r) Shareholding as on June 30, 2014

i) Distribution of shareholding as on June 30, 2014

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 - 100	70,902	79.23%	2,065,237	0.30%
101 - 200	8,493	9.49%	1,447,510	0.21%
201 - 500	4,625	5.17%	1,591,694	0.23%
501 - 1000	1,618	1.81%	1,210,369	0.17%
1001 - 5000	2,076	2.32%	5,088,890	0.73%
5001 - 10000	528	0.59%	3,774,809	0.54%
10001 and above	1,246	1.39%	684,797,872	97.83%
Total	**89,488**	**100.00**	**699,976,381**	**100.00**

ii) Categories of equity shareholders as on June 30, 2014

Category	Number of shares held	Voting Strength (%)
Promoters	431,497,894	61.64%
Mutual Funds/ UTI	17,279,792	2.47%
Financial Institutions/ Banks	324,050	0.05%
Insurance Companies	8,532,322	1.22%
Foreign Institutional Investors	201,941,419	28.85%
Foreign Banks	600	0.00%
Bodies Corporate	14,358,938	2.05%
Individuals	17,782,185	2.54%
NRIs / OCBs	2,486,688	0.36%
Foreign Nationals	43,396	0.01%
Trusts	417,591	0.06%
Foreign Corporate Body	3,807,201	0.54%
HUF	172,110	0.02%
Clearing Members	1,332,195	0.19%
Grand Total	**699,976,381**	**100.00%**

s) Dematerialization of Shares and liquidity

The shares of the Company are under compulsory dematerialization ("Demat") category and consequently, shares of the Company can be traded only in electronic form.

The system for getting the shares dematerialized is as under:

a. Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account.

b. DP processes the DRF and generates a unique number viz. DRN.

c. DP forwards the DRF and share certificates to the Company's Registrar and Share Transfer Agent.

d. The Company's Registrar and Share Transfer Agent after processing the DRF confirm or reject the request to the Depositories.

e. Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on June 30, 2014, about 99.95% of the equity shares issued by the Company are held in dematerialized form.

The Company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

Company's ISIN in NSDL & CDSL for Equity Shares: INE860A01027.

Company's ISIN in NSDL & CDSL for Debentures: INE860A07032.

Since the trading in the shares of the Company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

t) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

u) Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend amounts which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 205C of the said Act. Shareholders who have not enchased their dividend warrants relating to the dividend specified in Table below are requested to immediately send their request for issue of duplicate warrants. Once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof either with the Company or IEPF:

Financial Year	Type of Dividend	Date of Declaration	Due Date for transfer to IEPF
2006-07	Final	December 13, 2007	January 12, 2015
2007-08	1st Interim	October 16, 2007	November 15, 2014
	2nd Interim	January 17, 2008	February 18, 2015
	3rd Interim	April 15, 2008	May 18, 2015
	Final	October 22, 2008	November 24, 2015
2008-09	1st Interim	October 15, 2008	November 17, 2015
	2nd Interim	January 23, 2009	February 23, 2016
	3rd Interim	April 21-22, 2009	May 22, 2016
	Final	December 08, 2009	January 07, 2017
2009-10	1st Interim	October 27-28, 2009	November 27, 2016
	2nd Interim	January 24-25, 2010	February 24, 2017
	3rd Interim	April 20-21, 2010	May 21, 2017
	Final	October 28, 2010	November 27, 2017
2010-11	1st Interim	October 19-20, 2010	November 19, 2017
	2nd Interim	January 18-19, 2011	February 18, 2018
	3rd Interim	April 19-20, 2011	May 20, 2018
	Final	November 02, 2011	December 02, 2018
2011-12	1st Interim	October 17-18, 2011	November 17, 2018
	2nd Interim	January 16-17, 2012	February 18, 2019
	3rd Interim	April 16-18, 2012	May 21, 2019
	Final Dividend	October 22, 2012	November 24, 2019
2012-13	1st Interim	October 15 & 17, 2012	November 19, 2019
	2nd Interim	January 15 & 17, 2013	February 17, 2020
	3rd Interim	April 15 & 17, 2013	May 17, 2020
	Final	December 27, 2013	January 30, 2021
2013-14	1st Interim	October 15 & 17, 2013	November 16, 2020
	2nd Interim	January 14 & 16, 2014	February 15, 2021
	3rd Interim	April 15 & 17, 2014	May 17, 2021

v) Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending September 30, 2014	October 16-17, 2014
Financial reporting for the second quarter ending December 31, 2014	January 22-23, 2015
Financial reporting for the third quarter ending March 31, 2015	April 15-16, 2015
Financial reporting for the year ending June 30, 2015	July 29-30, 2015
Annual General Meeting for the year ending June 30, 2015	October-November, 2015

w) Address for Shareholders' correspondence

The Secretarial Department
HCL Technologies Limited
A-10 & 11, Sector - 3,
Noida - 201 301 U.P., India
Tel. +91-120-2520917 / 937 / 997
Fax: +91-120-2526907
E-mail: investors@hcl.com

x) Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated July 31, 2014 obtained from Statutory Auditors of the Company, M/s. S.R. Batliboi & Co. LLP, confirming compliance with the Corporate Governance requirements as stipulated under clause 49 of the Listing Agreement, is annexed hereto.

y) Centers' Locations

Chennai - Centers

50-53, Greams Road
Chennai-600 006, India
Tel :+91-44-2829 3298
Fax :+91-44-2829 4969

158, Arcot Road, Vadapalani
Chennai-600 026, India
Tel. :+91-44-2375 0171
Fax :+91-44-2375 0185

49-50, Nelson
Manickam Road
Chennai-600 029, India
Tel. :+91-44-2374 1939
Fax :+91-44-2374 1038

No.184-188, 190,192 & 196
Arcot Road, Vadapalani
Chennai-600 026, India
Tel. :+91-44-2372 9000
Fax :+91-44-2480 6640

Arihant Technopolis
4/293 Old Mahabalipuram Road
Kandanchavadi
Chennai-600 096, India
Tel. :+91-44-4395 7777
Fax :+91-44-4359 3445

73-74, South Phase
Ambattur Industrial Estate
Ambattur (AMB-5)
Chennai-600 058, India
Tel. :+91-44-4393 5000
Fax :+91-44-4206 0441

64 & 65, Second Main Road
Ambattur Industrial Estate,
Ambattur (AMB-3)
Chennai-600 058, India
Tel. :+91-44-2613 3300
Fax :+91-44-4218 0653

D-12, 12B, Ambattur Industrial
Estate, Ambattur (AMB-1)
Chennai-600 058, India
Tel. :+91-44-2623 0711
Fax :+91-44-2624 4213

8, South Phase, MTH Road,
Ambattur Industrial Estate
Ambattur (AMB-6)
Chennai-600 058, India
Tel. :+91-44-4396 8000
Fax :+91-44-4396 7004

78-Ambattur Industrial Estate
Ambattur (AMB-2)
Chennai-600 058, India
Tel. : +91-44-2623 2318
Fax :+91-44-6107 7555

94, South Phase
Ambattur Industrial Estate,
Ambattur (AMB-4)
Chennai-600 058, India
Tel. :+91-44-4226 2222
Fax :+91-44-4215 3333

Unit-2, Block-1, No. 84,
Greams Road
Thousand Lights
Chennai-600 006, India
Tel. :+91-44-6622 5522

Chennai SEZ

Module 1, Tower 1,
Floor Nos. 1 & 6,
"Chennai One" SEZ Unit
ETL Infrastructure Services Ltd.,
200 Ft, Thoraipakkam,
Pallavaram Ring Road,
Thoraipakkam,
Chennai-600 096
Tel. : +91-44-6630 1000

ETA-Techno Park
SPECIAL ECONOMIC ZONE,
33, Rajiv Gandhi Salai, Navallur Village
and Panchayat, Thiruporur Panchayat
Union, Chengalpet Taluk,
Kanchipuram Dist, Chennai-603 103
Tel. :+91-44-4746 1000
Fax : +91-44-6741 2222

ELCOT-SEZ
Special Economic Zone,
602/3, 138, Shollinganallur Village,
Shollinganallur-Medavakkam
High Road, Tambaram Taluk,
Kancheepuram (Dist),
Chennai-600 119,
Tel. :+91-44-6105 0000
Fax : +91-44-4332 5443

Coimbatore Center

Module 201 to 203,
Tidel Park Coimbatore Limited
ELCOT SEZ - IT\ITES
Villankurichi Road, Civil Aerodrome Post,
Coimbatore-641 004 India
Tel. :+91-0422-6657525
Fax :+91-0422-6657554

Gurgaon - Center

Plot No CP-3, Sector-8,
Techno Park, Manesar Zip
Haryana, India
Tel. :+91-0124-6186000
Fax :+91-0124-4012518

Plot No. 243, Udyog Vihar Phase 1,
Dundahera, Gurgaon-122 016
Haryana, India
Tel. :+91-0124-4421200

Kolkata Centers

SDF Building, 1st & 3rd Floors,
Module Nos. 212-214, 228-230 & 413,
Block-GP, Sector-V
Salt Lake, Kolkata-700 091, India
Tel. :+33-2357 3024-25
Fax :+33-2357 3027

M/s. Unitech Hi-Tech Structures Ltd.
Special Economic Zone-IT/ITES
Plot No.1, Block No. A2, 3rd & 4th Floors,
DH Street, 316 New Town, Rajarhat,
Dist. North 24 Parganas,
Kolkata-700 156, India
Tel. :+33-3027 2350

Noida Centers

A-9, 10 &11, Sector 3,
Noida-201 301,
U.P., India
Tel. :+91-120-4013000
Fax : +91-120-2539799

A-5, Sector 24,
Noida-201 301,
U.P., India
Tel. :+91-120-4382020
Fax :+91-120-2411005

A-11, Sector 16,
Noida-201 301,
U.P., India
Tel. :+91-120-4383000
Fax :+91-120-2510713

C-22 A, Sector 57
Noida-201 301,
U.P., India,
Tel. :+91-120-4385000
Fax :+91-120-2586420

B-34 / 3, Sector 59,
Noida-201 301,
U.P., India
Tel. :+91-120-4364488
Fax :+91-120-2589688

C-49, Sec-57
Noida-201 301,
U.P. India,
Tel. :+91-120-3387000
Fax :+91-120-4120303

A-8 & 9, Sector 60
Noida-201 301,
U.P., India
Tel. :+91-120-4384000
Fax :+91-120-2582915

A - 22, Sector 60,
Noida-201 301,
U.P., India
Tel. :+91-120-4364200
Fax :+91-120-4347485

A-104, Sector 58,
Noida-201 301,
U.P., India
Tel. :+91-120-4061200
Fax :+91-120-2589667

F-8 & 9, Sector 3,
Noida-201 301
UP, India
Tel. :+91-120-4362100
Fax :+91-120-2525681

C-23, Sector 58,
Noida-201 301,
U.P., India
Tel. :+91-120-4364200
Fax :+91-120-2490428

A-2, Sector 3,
Noida-201 301,
U.P., India.
Tel. :+91-120-4362900
Fax :+91-120-2534773

Plot No 1 & 2, Noida Express Highway,
Sector-125, Noida-201 301, U.P., India
Tel. :+91-120-4046000
Fax :+91-120-4258946

B 39, Sector 1,
Noida-201 301,
U.P., India
Tel. :+91-120-4024700
Fax :+91-120-2425840

Noida SEZ

Noida Technology Hub (SEZ)
Plot No: 3A, Sector-126,
Noida-201 303, U.P., India
Tel. :+91-120-4683000
Fax :+91-120-4683030

Hyderabad Center

4th Floor, Pawani Plaza
No.6-3-698/A,
Panjagutta
Hyderabad-500 082
Tel. :+91-40-4202 7025

Hyderabad SEZ

Avance Business Hub
Tower: H08, Phoenix Infocity Pvt. Ltd.{SEZ},
HITEC CITY 2
Survey No.30, 34, 35 & 38
Hyderabad-500 081, India
Land Mark: Behind Cyber Gateway
Tel. :+91-40-3094 1000
Fax :+91-40-4027 3333

Bangalore - Centers

Vertex Tech Park
#564, Pattandur Agrahara Road
Off Whitefield Road, Next to ITPL
Bangalore-560 066, India
Tel. :+91-80-4187 3000
Fax :+91-80-4115 7474

#690, 5th & 6th Floor,
Gold Hill Square (GHS)
Bommanahalli,
Hosur Main Road,
Bangalore-560 068, India
Tel. :+91-80-4141 5000
Fax :+91-80-2572 7989

Surya Sappihre
Plot No:3
1st Phase Electronic City
Hosur Road
Bangalore-560 100, India
Tel. :+91-80-6626 7000
Fax :+91-80-2852 9100

#6, A.S. Chambers,
80 Feet Road,
6th Block, Koramangala,
Bangalore-560 095, India
Tel. :+91-80-6644 1000
Fax :+91-80-6644 1117

SJR Equinox, Survey No.47/8,
Dhodda Thogur Village,
Begur Hobli, Electronic City-1st phase,
Bangalore-560 100
Tel. :+91-80-33209000
Fax :+91-80-33208000

Bangalore SEZ
No. 129, Jigani Bomasandra,
Link Road, Jigani Industrial Area
Bangalore-562 106, India
Tel. :+91-80-6781 0000
Fax :+91-80-6631 1111

Pune Center

"Commerzone", Unit# 401, 4th Floor,
Building 7, Samrat Ashoka Path,
Opp. Airport Road, Yerwada,
Pune (Maharashtra)-411 006
Tel. :+91-20-67279000
Fax :+91-20-67279008

"The Chambers", Unit No.201,
2nd Floor Viman Nagar, Taluka Haveli,
Village Lohagaon
Pune-411 014
Tel. :+91-20-66438803
Fax :+91-20-66438802

Pune SEZ

Tower-7, Upper Ground Floor,
Wing A&B, Magarpatta SEZ
Hadapsar, Pune-400 013
Tel. :+91-20-3040 6300-01

Compliance with non-mandatory requirements of clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement provides certain mandatory requirements which have to be fulfilled by the Company. The Clause further states certain non-mandatory requirements which may be implemented as per the discretion of the Company. We comply with the following non-mandatory requirements:

1. **The Board**

   During the year under review, the tenure of Independent Directors on the Board of the Company was in accordance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

2. **Remuneration Committee**

   The Nomination and Remuneration Committee (erstwhile Compensation Committee) of the Company is in existence from September, 1999. An independent non-executive director of the Company is the Chairperson of the Nomination and Remuneration Committee. Three members out of total five members of the Committee are independent non-executive directors. The details of the Nomination and Remuneration Committee are provided elsewhere in this Report.

3. **Shareholders Rights**

   The Clause states that half-yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each shareholder.

   We communicate with investors regularly through e-mail, telephone and face to face meetings either in investor's conferences, Company visits or on road shows.

We also leverage the internet in communicating with our investor's base. After the announcement of the quarterly results, a business television channel in India telecasts discussions with our Management. This enables a large number of retail investors in India to understand our operations better. The announcement of quarterly results is followed by media briefing in press conferences and earning conference calls. The earning calls are also webcast live on the internet. Further, transcripts of the earnings calls are posted on the website www.hcltech.com. We also publish our quarterly results in English and Hindi daily newspapers.

4. Audit Qualifications

It is always the Company's endeavor to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended June 30, 2014.

5. Training to Board Members

The Board has adopted a policy for training of new non-executive directors which shall inter-alia provide (a) orientation and presentations to the non-executive directors to enable them to get familiarized with the operations of the Company; (b) orientation on group structure, subsidiaries, constitution, Board procedures and matters reserved for the Board, major risks and risk management strategies, (c) training on corporate excellence and (d) briefing on the rights, duties and responsibilities as Director.

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's businesses and the external environment affecting the industry as a whole. The non-executive directors are also provided with reports issued by the Company from time to time and internal policies to enable them to familiarize with the Company's procedures and practices. Independent Directors are regularly updated on performance of each line of business of the Company, state of the market, business strategy going forward and new initiatives being taken / proposed to be taken by the Company.

6. Mechanism for evaluating non-executive Board Members

In terms of the provisions of the Companies Act, 2013, the performance evaluation of the non-executive independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director. Further, the Board has empowered the Nomination and Remuneration Committee to carry out the evaluation of all the Directors and Boards' performance.

7. Whistle Blower Policy

The Company has a Whistle Blower Policy for making a disclosure of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or Whistle Blower Policy. All cases registered under the Whistle Blower Policy of the Company are reported to the Whistle Blower Committee. The detail on the mechanism of the Whistle Blower Policy is provided elsewhere in this

Report.

AUDITORS' CERTIFICATE

REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE PURSUANT TO CLAUSE 49 (VII)(1) OF THE LISTING AGREEMENT

To
The Members of HCL Technologies Limited

We have examined the compliance of conditions of corporate governance by HCL Technologies Limited (the 'Company'), for the year ended on June 30, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership No.: 17401

Place: Gurgaon, Haryana
Date : July 31, 2014

DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT OF THE INDIAN STOCK EXCHANGES

We, Shiv Nadar, Chairman & Chief Strategy Officer and Anant Gupta, President & Chief Executive Officer of HCL Technologies Limited ("the Company") confirm that the Company has adopted a Code of Business Ethics and Conduct ("Code of Conduct") for its Board members and senior management personnel and the Code of Conduct is available on the Company's web site.

We, further confirm that the Company has in respect of the financial year ended June 30, 2014, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Shiv Nadar
Chairman and Chief Strategy Officer

Anant Gupta
President & Chief Executive Officer

Place: Noida (U.P.), India
Date : July 31, 2014

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT ENTERED INTO WITH THE INDIAN STOCK EXCHANGES

We, Shiv Nadar, Chairman & Chief Strategy Officer, Anant Gupta, President & Chief Executive Officer, Anil Chanana, Chief Financial Officer of HCL Technologies Limited ("the Company") certify that:

1. We have reviewed the financial statements and the Cash Flow Statement of the Company for the year ended June 30, 2014 and that to the best of our knowledge and belief -
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee -
   (i) significant changes, if any, in internal control over financial reporting during the year.
   (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Anant Gupta
President & Chief Executive Officer

Shiv Nadar
Chairman and Chief Strategy Officer

Anil Chanana
Chief Financial Officer

Place: Noida (U.P.), India
Date: July 31, 2014

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HCL Technologies Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards notified under the Companies Act, 1956, read with General Circular 08/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956, read with General Circular 08/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

   (e) On the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership Number: 17401

Place of Signature: Gurgaon, India
Date: July 31, 2014

Annexure referred to in paragraph 1 under heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: HCL Technologies Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct major weakness in internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	112,870,184	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	918,320	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	128,125,998	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	482,431,617	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,644,571,149	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	84,645,014	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,468,769,652	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	609,567	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	13,678,057	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	9,074,364	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	78,127,764	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	54,467,532	2005-06	Delhi High Court

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	18,282	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	16,170,000	2004-05	Delhi High Court
Income Tax Act, 1961*	Income Tax	67,868,901	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	414,561,454	2004-05	Supreme Court of India
Income Tax Act, 1961*	Income Tax	21,259,247	2004-05	Delhi High Court
Income Tax Act, 1961#	Income Tax	180,337	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	192,314,922	2003-04	Delhi High Court
Income Tax Act, 1961*	Income Tax	1,540,000	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	102,544,840	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	13,543,578	2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	21,700,098	2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	63,024,603	2002-03	Supreme Court of India
Income Tax Act, 1961*	Income Tax	2,642,500	2001-02	Delhi High Court
Customs Act, 1962	Custom Duty	2,018,406	2005-06	Customs, Excise, Service Tax Appellant Tribunal, Bangalore
Finance Act 1994, read with Service Tax Rules, 1994	*Service Tax*	226,000	2012-13	Commissioner Appeals, Central Excise, Noida
Central Excise Act, 1944	*Excise Act*	6,281,000	2013-14	Customs, Excise, Service Tax Appellant Tribunal, Chennai

* In these cases tax demand may arise only if the matter currently subjudice before Honorable Delhi High Court is decided against the Company.

Pursuant to scheme for demerger of IT enabled business of HCL Comnet Systems & Services Limited in FY 2012 -13.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The company has secured debentures outstanding during the year, on which security or charge has been created.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership Number: 17401

Place of Signature: Gurgaon, India
Date: July 31, 2014

Balance Sheet as at 30 June 2014

(All amounts in crores of ₹)

	Note No.	As at 30 June 2014	As at 30 June 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	**2.1**	140.00	139.37
(b) Reserves and surplus	**2.2**	15,605.61	10,093.36
		15,745.61	**10,232.73**
(2) Share application money pending allotment	**2.3**	7.65	5.01
(3) Non - current liabilities			
(a) Long-term borrowings	**2.4**	27.45	532.66
(b) Other long-term liabilities	**2.5**	515.43	436.92
(c) Long term provisions	**2.6**	175.28	165.98
		718.16	**1,135.56**
(4) Current liabilities			
(a) Short term borrowings	**2.7**	29.25	82.48
(b) Trade payables	**2.8**	392.47	333.29
(c) Other current liabilities	**2.8**	4,006.16	2,978.45
(d) Short term provisions	**2.9**	915.20	1,191.81
		5,343.08	**4,586.03**
TOTAL		**21,814.50**	**15,959.33**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	**2.10**	2,404.30	1,896.95
(ii) Intangible assets	**2.10**	44.27	57.23
(iii) Capital work in progress		518.50	488.19
		2,967.07	**2,442.37**
(b) Non-current investments	**2.11**	3,559.72	3,609.72
(c) Deferred tax assets (net)	**2.12**	311.79	376.69
(d) Long term loans and advances	**2.13**	836.78	764.09
(e) Other non-current assets	**2.14**	132.62	132.70
		7,807.98	**7,325.57**
(2) Current Assets			
(a) Current investments	**2.11**	556.29	445.98
(b) Inventories	**2.15**	15.54	81.84
(c) Trade receivables	**2.16**	3,224.19	2,709.21
(d) Cash and bank balances	**2.17**	7,911.08	2,808.83
(e) Short -term loans and advances	**2.18**	984.32	1,511.51
(f) Other current assets	**2.19**	1,315.10	1,076.39
		14,006.52	**8,633.76**
TOTAL		**21,814.50**	**15,959.33**
Summary of significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2014

Statement of Profit and Loss for the year ended 30 June 2014

(All amounts in crores of ₹except share data unless otherwise stated)

	Note No.	Year ended 30 June 2014	Year ended 30 June 2013
Income			
Revenue from operations	**2.20**	16,497.37	12,517.82
Other income	**2.21**	659.12	378.84
Total revenue		**17,156.49**	**12,896.66**
Expenses			
Cost of materials	**2.22**	410.12	259.49
Employee benefit expenses	**2.23**	5,123.95	4,628.61
Finance costs	**2.24**	81.65	76.46
Depreciation and amortization expense	**2.10**	490.70	441.91
Other expenses	**2.25**	3,652.41	3,038.99
Total expenses		**9,758.83**	**8,445.46**
Profit before tax		**7,397.66**	**4,451.20**
Provision for tax			
Current tax		(1,555.74)	(924.55)
Less: MAT credit entitlement		115.91	84.78
Add: MAT credit entitlement written off		-	(70.35)
Net current tax		(1,439.83)	(910.12)
Deferred tax credit		26.79	70.10
Profit for the year before impact of scheme of arrangement relating to earlier period		**5,984.62**	**3,611.18**
Impact of scheme of arrangement relating to earlier period	**2.36**	-	93.54
Profit for the year		**5,984.62**	**3,704.72**
Earnings per equity share of par value ₹2 each (computed on the basis of profit for the year)	**2.32**		
Basic (in ₹)		85.66	53.32
Diluted (in ₹)		84.51	52.45
Computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period			
Basic (in ₹)		85.66	51.98
Diluted (in ₹)		84.51	51.13
Summary of significant accounting policies	**1 & 2**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2014

Cash flow statement

(All amounts in crores of ₹)

		Year ended 30 June 2014	Year ended 30 June 2013
A.	**Cash flows from operating activities**		
	Profit before tax	7,397.66	4,451.20
	Adjustment for:		
	Depreciation and amortization	490.70	441.91
	Interest income	(533.16)	(181.47)
	Dividend income	(24.68)	(28.95)
	Profit on sale of investments (net)	(50.42)	(15.51)
	Profit on sale of long term investment in joint venture	-	(55.54)
	Interest expenses	72.35	63.86
	Profit on sale of fixed assets	(47.97)	(1.55)
	Employee stock compensation expense	30.92	14.97
	Other non cash charges	53.43	109.05
	Operating profit before working capital changes	**7,388.83**	**4,797.97**
	Movement in Working Capital		
	(Increase)/decrease in trade receivables	(559.87)	(534.21)
	(Increase)/decrease in inventories	67.16	19.19
	(Increase)/decrease in loans and advances	5.89	(15.63)
	(Increase)/decrease in other assets	(122.24)	(270.23)
	Increase/ (decrease) in liabilities and provisions	601.21	852.94
	Cash generated from operations	**7,380.98**	**4,850.03**
	Direct taxes paid (net of refunds)	(1,233.76)	(808.42)
	Net cash flow from operating activities before impact of scheme of arrangement relating to earlier period	**6,147.22**	**4,041.61**
	Impact of scheme of arrangement relating to earlier period (refer note 2.36)	-	128.54
	Net cash flow from operating activities (A)	**6,147.22**	**4,170.15**
B.	**Cash flows from investing activities**		
	Proceeds from bank deposit on maturity	2,653.02	2,001.09
	Investments in bank deposits	(7,670.35)	(3,613.59)
	Purchase of investments in securities	(7,354.54)	(4,417.51)
	Proceeds from sale of investments in securities	7,344.65	4,478.44
	Payment for investment in mutual fund - units alloted on 01 July, 2014	(55.00)	-
	Deposits placed with body corporate	(564.00)	(630.50)
	Proceeds from maturity of deposits placed with body corporate	680.50	50.00
	Investments in subsidiaries	-	(464.60)
	Proceeds from repayment of loans given to subsidiaries	414.00	(0.01)
	Advance against sale of building	108.00	-
	Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(605.06)	(487.08)
	Proceeds from sale of fixed assets	60.47	6.50
	Proceeds from sale of long term investment in joint venture	-	66.32
	Dividend received	24.68	28.95
	Interest received	488.62	161.68
	Taxes paid	(180.53)	(46.13)
	Net cash flow used in investing activities before impact of scheme of arrangement relating to earlier period	**(4,655.54)**	**(2,866.44)**
	Impact of scheme of arrangement relating to earlier period (refer note 2.36)	-	(119.04)
	Net cash flow used in investing activities (B)	**(4,655.54)**	**(2,985.48)**

Cash flow statement (Contd.)

(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
C. Cash flows from financing activities		
Proceeds from issue of share capital	34.47	33.60
Proceeds from long term borrowings	11.11	22.52
Repayment of long term borrowings	(13.97)	(10.99)
Repayment of debentures	-	(330.00)
Proceeds from short term borrowings	28.78	(1.74)
Repayment of short term borrowings	(82.00)	-
Dividend paid	(1,118.39)	(694.56)
Corporate dividend tax	(184.45)	(113.75)
Interest paid	(72.88)	(78.33)
Principal payment on finance lease obligations	(0.34)	(1.89)
Net cash flow used in financing activities before impact of scheme of arrangement relating to earlier period	**(1,397.67)**	**(1,175.14)**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)	-	(0.23)
Net cash flows used in financing activities (C)	**(1,397.67)**	**(1,175.37)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	94.01	9.30
Effect of exchange differences on cash and cash equivalents held in foreign currency	(9.09)	(9.78)
Cash and cash equivalents at the beginning of the year	155.81	134.69
Cash and cash equivalents acquired on implementation of scheme of arrangement (refer note 2.36)	-	21.60
Cash and cash equivalents at the end of the year as per note 2.17 (a) (refer note below)	**240.73**	**155.81**

Note:

Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	2.51	2.36

* The Company can utilize these balances only towards the settlement of the respective above mentioned liabilities:

As per our report of even date.

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

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Company Secretary

Noida (UP), India
31 July 2014

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Company Overview

HCL Technologies Limited (hereinafter referred to as 'HCL' or the 'Company') is primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Company leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi conductors), telecom, retail and consumer packaged goods services , media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and are presented in the format prescribed under revised Schedule VI to the Companies Act, 1956 read with general circular 08/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs. These financial statements have been prepared to comply in all material aspects with the applicable accounting standards. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day - to - day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work - in - progress.

d) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The management's estimates of the useful lives of various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including, air conditioners and electrical installations)	4 to 5
Office equipments	4
Computers	3
Furniture and fixtures	4
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold-improvements	Over the remaining period of lease or 4 years, whichever is lower

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill arising out of amalgamation is amortized over its useful life not exceeding 5 years unless a longer period can be justified .The management's estimates of the useful life of Software is 3 years.

f) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) Its intention to complete the asset;

(iii) Its ability to use or sell the asset;

(iv) How the asset will generate future economic benefits;

(v) The availability of adequate resources to complete the development and to use or sell the asset; and

(vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value or present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risk and benefits of ownership of the assets, are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

h) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Company derives revenues primarily from:-

- Software services;
- IT Infrastructure services; and
- Business process outsourcing services.

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which the revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) IT Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned revenue arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company gives volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Revenue from sales-type leases is recognized when risk of loss is transferred to the client and there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Interest attributable to sales-type leases and direct financing leases included therein, is recognized on accrual basis using the effective interest method.

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

m) Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

(iv) Hedging

(a) ***Cash flow hedging***

The Company uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Company's policies, which provide written principles on the use of such financial derivatives, consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) ***Hedging of monetary assets and liabilities***

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

(v) Translation of integral and non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; and income and expense items of the non-integral foreign operation are translated at monthly weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

n) Retirement and other employee benefits

i. Contributions to provident fund, a defined benefit plan, are deposited with Recognized Provident Fund Trusts, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The interest rate payable by the Trust to the beneficiaries every year is notified by the Government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans : The Company's contribution to State Plans , a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss.

o) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company is subject to Minimum Alternative Tax (MAT) on their book profit, which gives rise to future economic benefit in the form of adjustment of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes - down the carrying amount of the MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

p) Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

q) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

r) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably; the Company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks and corporation with an original maturity of three months or less.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2. Notes on accounts

2.1 Share Capital

	As at 30 June	
	2014	2013
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and fully paid up		
699,976,381 (Previous year 696,869,857) equity shares ₹2 each	140.00	139.37

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 June			
	2014		2013	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	696,869,857	139.37	693,283,476	138.66
Add: Shares issued on exercise of employee stock options	3,106,524	0.63	3,576,256	0.71
Add: Shares issued under scheme of arrangement (refer note 2.36)	-	-	10,125	0.00*
Number of shares at the end	699,976,381	140.00	696,869,857	139.37

The Company does not have any holding/ ultimate holding company.

* Absolute amount equals to ₹20,250

Details of shareholders holding more than 5 % shares in the company:-

	As at 30 June			
	2014		2013	
Name of the shareholder	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited	300,048,512	42.87%	311,964,982	44.77%
HCL Holdings Private Limited	119,548,908	17.08%	119,548,908	17.16%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June					
	2014	2013	2012	2011	2010	2009
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	Nil	10,125 Equity shares	Nil	Nil	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil	Nil

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2014, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

During the year ended 30 June 2013, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

Each option granted under the above plans entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended 30 June			
	2014		2013	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	324,422	666.37	536,630	655.52
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(184,025)	638.94	(176,588)	638.71
Expired during the year	(14,574)	645.34	(35,620)	640.08
Options outstanding at the end of the year	**125,823**	**722.45**	**324,422**	**666.37**
Options exercisable at the end of the year	**125,823**		**324,422**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,635.01 (Previous year ₹2,690.93)

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended 30 June			
	2014		2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	583,255	641.16	1,024,030	632.18
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(301,986)	637.05	(313,419)	618.13
Expired during the year	(71,028)	653.61	(127,356)	625.65
Options outstanding at the end of the year	**210,241**	**642.84**	**583,255**	**641.16**
Options exercisable at the end of the year	**210,241**		**583,255**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,645.11 (Previous year ₹2,619.54)

ESOP 2004	Year ended 30 June			
	2014		2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,238,201	14.48	3,605,488	13.61
Add: Granted during the year	8,000	8.00	21,220	8.00
Less: Forfeited during the year	(225,132)	8.00	(962,180)	8.00
Exercised during the year	(290,620)	28.69	(404,057)	17.64
Expired during the year	(1,600)	1,329.66	(22,270)	88.72
Options outstanding at the end of the year *	1,728,849	11.69	2,238,201	14.48
Options exercisable at the end of the year	**274,481**		**295,101**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,998.73 (Previous year ₹2,942.59)

* Total number of outstanding options includes 1,252,638 as on 30 June 2014 (1,549,700 as on 30 June 2013) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2014 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	125,823	-	722.45
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	210,241	-	642.84
Employee Stock Option Plan - 2004	₹8	1,719,386	4.80	8.00
	₹642 - ₹741	9,463	-	682.38

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The details of exercise price for stock options outstanding at the end of the year 30 June 2013 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	324,422	0.68	666.37
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	583,255	0.63	641.16
Employee Stock Option Plan - 2004	₹8	2,216,841	5.61	8.00
	₹642 - ₹741	21,360	0.64	687.24

The weighted average fair value of stock options granted during the year was ₹3,304.31 (Previous year ₹1,914.35). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 30 June	
	2014	2013
Weighted average share price	396.18	324.74
Exercise Price	₹2.00	₹2.00
Expected Volatility	30.80%	36.88%
Historical Volatility	30.80%	36.88%
Life of the options granted (vesting and exercise period) in years	3.15 - 3.21 Years	2.96 - 5.00 Years
Expected dividends	₹8.00	₹8.00
Average risk-free interest rate	7.80%	7.78%
Expected dividend rate	2.02%	2.46%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The same is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

	Year ended 30 June	
	2014	2013
Net income - As reported	**5,984.62**	**3,704.72**
Add: Employee stock compensation under intrinsic value method	30.92	14.97
Less: Employee stock compensation under fair value method	39.12	16.79
Net income - Proforma	**5,976.42**	**3,702.90**
Earnings per share (₹) refer note 2.32		
Basic - As reported	85.66	53.32
- Proforma	85.55	53.30
Diluted - As reported	84.51	52.45
- Proforma	84.40	52.43

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.2 Reserves and Surplus

	As At 30 June	
	2014	**2013**
Securities premium account		
Balance as per last financial statements	1,863.83	1,769.76
Add: exercise of stock option by employees	70.14	93.59
Add: adjustment pursuant to implementation of scheme of arrangement (refer note 2.36)	-	0.48
	1,933.97	**1,863.83**
Debenture redemption reserve		
Balance as per last financial statements	400.00	630.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	100.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	-	(330.00)
	500.00	**400.00**
Share options outstanding		
Balance as per last financial statements	331.39	555.08
Add: options granted during the year	2.89	5.68
Less: options forfeited during the year	(35.46)	(166.43)
Less: transferred to securities premium on exercise of stock options	(38.93)	(62.94)
	259.89	**331.39**
Less:-deferred employee compensation cost	(52.97)	(116.47)
	206.92	**214.92**
Hedging reserve account (net of deferred tax) (refer note 2.31)		
Balance as per last financial statements	(488.52)	(385.57)
Add: movement during the year (net)	278.24	(102.95)
	(210.28)	**(488.52)**
Foreign currency translation reserve		
Balance as per last financial statements	(2.73)	(6.90)
Add: exchange difference during the year on net investment in non-integral operations	0.91	4.17
	(1.82)	**(2.73)**
General reserve		
Balance as per last financial statements	1,389.20	1,009.20
Add: amount transferred from surplus in the statement of profit and loss	600.00	380.00
	1,989.20	**1,389.20**
Capital reserve		
Balance as per last financial statements	119.54	-
Add: adjustment pursuant to implementation of Scheme of Arrangement (refer note 2.36)	-	119.54
	119.54	**119.54**
Surplus in the statement of profit and loss		
Balance as per last financial statements	6,597.12	3,185.77
Add: profit for the year	5,984.62	3,704.72
Add: amount transferred from debenture redemption reserve due to redemption of debentures	-	330.00
Add: surplus acquired under the scheme of arrangement (refer note 2.36)	-	831.81
Amount available for appropriation	**12,581.74**	**8,052.30**

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

	As at 30 June	
	2014	2013
Less: appropriations		
Interim dividend [amount per share ₹10 (previous year ₹6)]	699.10	416.94
Proposed final dividend [including ₹1.17 crores (previous year ₹0.30 crores) paid for previous year] [Amount per share ₹Nil (previous year ₹6)]	1.17	418.42
Total dividend	**700.27**	**835.36**
Corporate dividend tax [including ₹0.20 crores (previous year ₹0.05 crores) paid for previous year]	113.39	139.82
Transfer to general reserve	600.00	380.00
Transfer to debenture redemption reserve	100.00	100.00
Net surplus in the statement of profit and loss	**11,068.08**	**6,597.12**
	15,605.61	**10,093.36**

2.3 Share application money pending allotment

	2014	2013
- number of shares proposed to be issued	598,948	356,008
- the amount of premium	7.53	4.94
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note - share application money has not remained pending beyond the period mentioned in the share application. The maximum period within which the shares shall be allotted will be 180 days from the date of receipt of share application money.

2.4 Long term borrowings

	Non-current portion		Current maturities	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
(a) Secured				
Debentures (refer note 1 below)				
8.80% Secured redeemable non convertible debentures of ₹10 lacs each (repayable on 10 September 2014)	-	500.00	500.00	-
From banks				
Long term loans (refer note 2 below)	27.45	32.33	11.56	9.68
From others				
Finance lease obligations (refer note 3 below and Note 2.26(i))	-	0.33	0.33	1.76
	27.45	**532.66**	**511.89**	**11.44**
Amount disclosed under the head "other current liabilities" (note 2.8)	**-**	**-**	**(511.89)**	**(11.44)**
	27.45	**532.66**	**-**	**-**

Note:-

1. These debentures have a maturity period of five years reedemable at par and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company.
2. Secured by hypothecation of gross block of vehicles of ₹76.02 crores (Previous year ₹68.80 crores) at interest rates ranging from 8%. to 11%. The lons are repayble over a period of 3 to 5 years on a monthly basis.
3. Obligations under finance lease are secured by vehicles taken on lease at interest rates ranging from 8% to 11%.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.5 Other long term liabilities

	As at 30 June	
	2014	2013
Income received in advance	193.33	141.62
Income received in advance- related parties	178.61	35.14
Liability for expenses	15.29	15.36
Unrealized loss on forward covers	128.20	244.80
	515.43	**436.92**

2.6 Long term provisions

	As at 30 June	
	2014	2013
Provision for employee benefits	175.28	165.98
	175.28	**165.98**

2.7 Short term borrowings

	As at 30 June	
	2014	2013
Unsecured		
Bank overdraft	29.25	0.48
Loans from related parties	-	82.00
	29.25	**82.48**

2.8 Trade payable and other current liabilities

	As at 30 June	
	2014	2013
Trade payables (refer note 2.33 for details of dues to micro and small enterprises)	117.46	112.70
Trade payables-related parties	275.01	220.59
	392.47	**333.29**
Other current liabilities		
Current maturities of long term loans	511.89	11.44
Interest accrued but not due on borrowings	2.53	2.51
Interest accrued but not due on borrowings-related parties	-	0.55
Investor education and protection fund (shall be credited by following amounts as and when due) -Unclaimed dividends	2.51	2.36
Advances received from customers	16.86	43.43
Advances received from customers-related parties	-	7.36
Capital accounts payables [includes supplier credit ₹601.49 crores (previous year ₹297.40 crores)]	748.45	390.96
Capital accounts payables-Related parties [includes supplier credit ₹28.24 crores (previous year ₹7.12 crores)]	32.25	7.86
Unrealized loss on forward cover	137.57	434.40
Income received in advance	200.26	122.91
Income received in advance-related parties	330.12	435.07

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.8 Trade payable and other current liabilities (Contd.)

	As at 30 June	
	2014	2013
Accrued salaries and benefits		
Employee bonuses accrued	348.00	384.40
Other employee costs	200.10	168.69
Other liabilities		
Liabilities for expenses	722.31	562.81
Liabilities for expenses-related parties	227.71	211.60
Supplier credit	309.62	80.55
Supplier credit-related parties	10.53	45.26
Withholding and other taxes payable	97.45	64.46
Book overdraft	-	1.83
Advance against sale of building-related parties	108.00	-
	4,006.16	**2,978.45**

2.9 Short term provisions

	As at 30 June	
	2014	2013
Provision for employee benefits	186.91	174.62
Proposed dividend on equity shares	-	418.12
Taxes on dividend	-	71.06
Income taxes (refer note 1 below)	726.88	526.65
Wealth tax (refer note 2 below)	1.41	1.36
	915.20	**1,191.81**

Notes:

1. Net of advance income tax of ₹3,590.29 crores (Previous year ₹2,192.12 crores).
2. Net of advance wealth tax of ₹6.60 crores (Previous year ₹5.31 crores).

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Note 2.10 Fixed Assets (refer note 1(c), (d) , (e) and 2.36)

	Gross block					Accumulated depreciation / amortization					Net block	
	As at 1 July 2013	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 1 July 2013	Charge for the year	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 30 June 2014	As at 30 June 2013
Tangible Assets												
Freehold land	80.89	-	-	-	80.89	-	-	-	-	-	80.89	80.89
Leasehold land	163.92	0.02	4.65	-	159.29	12.13	1.80	0.83	-	13.10	146.19	151.79
Buildings	1,169.58	531.57	11.69	-	1,689.46	173.16	67.82	7.24	-	233.74	1,455.72	996.42
Plant and machinery	670.22	225.52	17.49	0.16	878.41	424.56	117.71	17.41	0.13	524.99	353.42	245.66
Office Equipment	203.19	12.66	40.01	0.04	175.88	161.78	19.43	39.91	0.05	141.35	34.53	41.41
Computers	874.14	117.41	88.45	0.27	903.37	635.13	167.08	88.28	0.11	714.04	189.33	239.01
Furniture and fittings	457.65	58.37	45.49	0.27	470.80	372.34	50.08	45.45	0.20	377.17	93.63	85.31
Vehicles - owned	73.46	17.85	8.37	-	82.94	22.69	15.95	3.87	-	34.77	48.17	50.77
- leased	13.77	-	9.52	-	4.25	8.08	1.18	7.43	-	1.83	2.42	5.69
Total (A)	**3,706.82**	**963.40**	**225.67**	**0.74**	**4,445.29**	**1,809.87**	**441.05**	**210.42**	**0.49**	**2,040.99**	**2,404.30**	**1,896.95**
Intangible Assets												
Goodwill	1.98	-	-	-	1.98	1.98	-	-	-	1.98	-	-
Software	437.08	36.48	-	0.23	473.79	379.85	49.65	-	0.02	429.52	44.27	57.23
Total (B)	**439.06**	**36.48**	**-**	**0.23**	**475.77**	**381.83**	**49.65**	**-**	**0.02**	**431.50**	**44.27**	**57.23**
Total (A)+(B)	**4,145.88**	**999.88**	**225.67**	**0.97**	**4,921.06**	**2,191.70**	**490.70**	**210.42**	**0.51**	**2,472.49**	**2,448.57**	**1,954.18**
Previous year	3,497.26	981.42	333.99	1.19	4,145.88	1,883.55	441.91	516.62	0.85	2,191.70	1,954.18	1,613.71

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

2.11 Investments

	As at 30 June	
	2014	2013
Non-current investment - at cost		
In subsidiary companies, trade (unquoted), fully paid up		
Equity Instruments		
409,670,582 (Previous year 409,670,582) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,829.27	1,829.27
1,280 equity shares of ₹10,000 each (Previous year 1,280) equity shares, in HCL Comnet Systems & Services Limited (refer note 2.36)	11.22	11.22
949,900 (Previous year 949,900) equity shares of ₹10 each , in HCL Comnet Limited (refer note 1 below and note 2.36)	54.94	54.94
HCL Technologies (Shanghai) Limited (Issued & registered capital)	9.95	9.95
1,033,384 (Previous year 939,440) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25
30,000,000 (previous year 30,000,000) equity shares of Pound 1 each fully paid up, in HCL EAS Limited (refer note 1 below and note 2.36)	224.80	224.80
1 (Previous year 1) equity shares of Euro 100 each, in HCL GmbH	0.11	0.11
92,000 (Previous year 92,000) equity shares of ₹10 each in HCL Eagle Limited	0.09	0.09
Preference shares		
275,000,000 (Previous year 275,000,000) Preference shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,424.09	1,424.09
Aggregate amount of unquoted investments (A)	**3,559.72**	**3,559.72**
(Non trade and quoted)		
Investment in bonds(refer 2 (i) below)	-	50.00
Aggregate amount of quoted investments (B)	**-**	**50.00**
Aggregate amount of non-current investments (A+B)	**3,559.72**	**3,609.72**
Current investments		
(Non trade and quoted)		
Investment in bonds and certificate of deposits (refer note 2 (ii) below)	212.04	44.34
(At lower of cost and fair value non trade and unquoted)		
Investment in mutual fund(refer note 2 (iii) below)	344.25	401.64
Aggregate amount of current investments	**556.29**	**445.98**

Note:-

1. Acquired during the previous year pursuant to the scheme of amalgamation of HCL Comnet Systems & Services Limited with the Company. (refer note 2.36)
2. The details of investments in mutual funds/ bonds are provided below:

i) Non current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
Indian Railway Finance 6% 2015 (Series 68)	100,000	-	-	5,000	50.00
Market value			**-**		**48.42**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	-	-	4,418	44.34
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	-	-
Certificate of deposits					
State Bank of Mysore	100,000	10,000	98.13	-	-
State Bank of Hyderabad	100,000	6,500	63.91	-	-
Total			**212.04**		**44.34**
Market value			**212.08**		**43.94**

iii) Details of Investments in mutual funds - non trade and unquoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	442,860	82.66	99,326	17.01
HDFC Liquid Fund	10	38,784,913	99.47	44,969,068	106.00
ICICI Prudential Institutional Liquid Plan -Super Institutional	100	1,238,777	23.92	9,612,099	170.00
UTI Liquid Fund-Cash Plan	1,000	282,876	60.37	533,232	101.61
TATA Liquid Fund Plan	1,000	44,577	10.64	27,323	6.02
SBI Premier Liquid Fund Super IP	1,000	328,604	67.20	5,317	1.00
Total			**344.26**		**401.64**

2.12 Deferred tax assets (net)

	As at 30 June	
	2014	2013
Deferred tax assets:		
Accrued employee costs	95.24	110.15
Unrealized loss on derivative financial instruments	51.97	142.75
Depreciation and amortization	74.87	67.66
Others	90.70	56.68
Gross deferred tax assets (A)	**312.78**	**377.24**
Deferred tax liabilities:		
Others	0.99	0.55
Gross deferred tax liabilities (B)	**0.99**	**0.55**
Net deferred tax assets (A-B)	**311.79**	**376.69**

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

2.13 Long term loans and advances

	As at 30 June	
	2014	2013
Unsecured, considered good		
Capital advances	118.98	161.17
Capital advances-related parties	0.02	1.08
Security deposits	119.20	170.73
Others		
MAT credit entitlement	459.26	343.35
Prepaid expenses	31.90	27.91
Finance lease receivables (refer note 2.26 (iii))	62.22	59.52
Loans and advances to employees	0.07	0.33
Other loans and advances	45.13	-
	836.78	**764.09**

2.14 Other non- current assets

	As at 30 June	
	2014	2013
Unsecured considered good unless otherwise stated		
Deferred cost	132.61	132.63
Bank deposits more than 12 months (refer note 1 below)	0.01	0.01
Unrealized gain on derivative financial instruments	-	0.06
	132.62	**132.70**

Note:-

1. Pledged with banks as security for guarantees ₹0.01crores(Previous year ₹0.01 crores)

2.15 Inventories

	As at 30 June	
	2014	2013
Inventories		
Stock in trade (refer note 2.37)	14.66	80.29
Stores and spares	0.88	1.55
	15.54	**81.84**

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

2.16 Trade receivables (Unsecured)

	As at 30 June	
	2014	2013
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	-	113.38
Unsecured considered doubtful	151.72	10.46
	151.72	**123.84**
Provision for doubtful receivables	(151.72)	(10.46)
Total (A)	**-**	**113.38**
(b) Other receivables		
Unsecured considered good	3,224.19	2,595.83
Unsecured considered doubtful	25.32	133.56
	3,249.51	**2,729.39**
Provision for doubtful receivables	(25.32)	(133.56)
Total (B)	**3,224.19**	**2,595.83**
Total (A)+(B) (refer note 1 below)	**3,224.19**	**2,709.21**

Note:-

1. Includes receivables from related parties amounting to ₹1,760.03 crores (Previous year ₹1,593.13 crores)

2.17 Cash and bank balances

	As at 30 June	
	2014	2013
(a) Cash and cash equivalent		
Balance with banks		
-in current accounts	131.87	29.02
Cheques in hand	33.00	21.57
Remittances in transit	73.35	102.86
Unclaimed dividend account	2.51	2.36
	240.73	**155.81**
(b) Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months (refer note 1 below)	7,670.35	2,653.02
	7,911.08	**2,808.83**

Note:

1. In compliance of circular no. 04/2013 dated 11 february 2013, above deposits includes ₹77 crores which have been maintained by the Company for the purpose of repayment for redemption of the 8.80% Secured non convertible debentures of ₹500 crores repayble on 10 September 2014.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.18 Short-term loans and advances

	As at 30 June	
	2014	2013
Unsecured, considered good		
Loans and advances to related parties	49.07	469.56
Others		
Security deposits	53.22	10.30
Inter corporate deposit with HDFC Limited	564.00	680.50
Advances to suppliers	13.20	36.65
Prepaid expenses	98.95	64.95
Loans and advances to employees	19.76	21.91
Finance lease receivables (refer note 2.26 (iii))	24.95	17.12
Payment for investment in mutual fund - units alloted on 01 July, 2014	55.00	-
Service tax receivable	46.32	149.64
Other loans and advances	59.85	60.88
	984.32	**1,511.51**
Unsecured, considered doubtful		
Loans and advances to employees	43.73	37.26
Loans and advances to others	3.86	1.87
	47.59	**39.13**
Less: Provision for doubtful advances	(47.59)	(39.13)
	984.32	**1,511.51**

2.19 Other current assets

	As at 30 June	
	2014	2013
Unbilled revenue	541.26	493.56
Unbilled revenue-related parties	555.50	396.94
Deferred cost	98.47	114.10
Deferred cost-related parties	5.71	2.50
Interest receivable	113.83	69.22
Interest receivable-related parties	-	0.07
Unrealized gain on derivative financial instruments	0.33	-
	1,315.10	**1,076.39**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.20 Revenue from operations

	Year ended	
	30 June 2014	30 June 2013
Sale of services	16,015.24	12,221.98
Sale of hardware and software (refer note 2.37)	482.13	295.84
	16,497.37	**12,517.82**

2.21 Other income

	Year ended	
	30 June 2014	30 June 2013
Interest income		
- On fixed deposits	528.46	175.34
- On investment	4.70	6.03
- Others	-	0.10
Profit on sale of current investments	50.42	15.51
Profit on sale of long term investment in joint venture (refer note 2.35)	-	55.54
Dividends from current investments	-	20.67
Dividends from subsidiary companies	24.68	8.28
Profit on sale of fixed assets (refer note 1 below)	47.97	1.55
Exchange differences (net)	-	60.33
Miscellaneous income	2.89	35.49
	659.12	**378.84**

Note

1. Net of loss on sale of fixed assets ₹0.39 crores (Previous year ₹0.28 crores)

2.22 Cost of materials (refer note 2.37)

	Year ended	
	30 June 2014	30 June 2013
Opening stock	80.29	88.12
Purchases of traded goods	345.37	251.66
	425.66	**339.78**
Closing stock	(15.54)	(80.29)
	410.12	**259.49**

2.23 Employee benefit expenses

	Year ended	
	30 June 2014	30 June 2013
Salaries, wages and bonus	4,861.20	4,406.99
Contribution to provident fund and other funds	193.59	165.81
Staff welfare expenses	38.24	40.84
Employee stock compensation expense	30.92	14.97
	5,123.95	**4,628.61**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.24 Finance cost

	Year ended	
	30 June 2014	30 June 2013
Interest		
- on debentures	44.02	48.02
- on loans from banks	4.48	3.85
- on leased assets	0.32	1.50
- others	23.85	11.98
Bank charges	8.98	11.11
	81.65	**76.46**

2.25 Other expenses

	Year ended	
	30 June 2014	30 June 2013
Rent	206.87	205.13
Power and fuel	205.15	201.30
Insurance	8.27	11.67
Repairs and maintenance		
- Plant and machinery	55.86	63.06
- Buildings	60.59	43.07
- Others	94.42	94.11
Communication costs	117.96	109.36
Books and periodicals	16.32	13.21
Travel and conveyance	699.70	619.35
Business promotion	28.74	12.71
Legal and professional charges (refer note 2.39)	98.67	70.58
Outsourcing costs	1,619.45	1,022.13
Software license fee	156.92	117.62
Printing and stationery	12.37	8.50
Rates and taxes	72.24	54.85
Advertising and publicity	2.13	18.29
Provision for doubtful advances / advances written off	0.14	29.84
Donations	1.25	0.32
Recruitment, training and development	76.49	55.99
Provision for doubtful debts/ bad debts written off	53.13	75.23
Exchange differences (net)	11.79	-
Miscellaneous expenses	53.95	212.67
	3,652.41	**3,038.99**

2.26 Leases

i) Finance leases : in case of assets taken on lease

The Company has acquired vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2014	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	0.34 (2.07)	0.01 (0.31)	0.33 (1.76)
Later than one year and not later than 5 years	- (0.34)	- (0.01)	- (0.33)
	0.34	**0.01**	**0.33**
	(2.41)	(0.32)	(2.09)

Previous year figures are in brackets.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ii) Operating leases

The Company leases office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year is ₹206.87 crores (Previous year ₹204.66 crores). The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹102.92 crores (previous year ₹93.92 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended	
	30 June 2014	**30 June 2013**
Not later than one year	158.84	189.17
Later than one year but not later than five years	505.91	531.08
Later than five years	604.38	589.14
	1,269.13	**1,309.39**

iii) Finance leases : in case of assets given on lease

The Company has given networking equipments to its customers on finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2014	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	29.65	4.71	24.94
	(21.31)	(4.19)	(17.12)
Later than one year and not later than 5 years	73.97	11.74	62.23
	(74.17)	(14.65)	(59.52)
	103.62	**16.45**	**87.17**
	(95.48)	**(18.84)**	**(76.64)**

Previous year figures are in brackets.

2.27 Segment Reporting

Identification of segments

The Company's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services.

(i) Business segments

The operations of the Company predominately relate to providing a range of IT and Business Process Outsourcing services (BPO) targeted at Global 2000 companies spread across USA, Europe & Rest of the World. IT Services include software services & IT infrastructure management services. Within software services, the Company provides application development & maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and R&D services to several global customers. IT Infrastructure management services involve managing customers' IT assets effectively. The Company's 'Enterprise of the Future'(EOF) framework helps customers not just run IT effectively but also migrate to next generation IT. EOF involves services around cloud, next generation data centres, business productivity services, integrated service management layer and an integrated application development & operations services. Business process outsourcing services include the traditional contact centre & help desk services and next generation services around platform BPO & BPAAS (Business Process As A Service) delivered through a strong global delivery model. The Company's trademarked EFAAS(Enterprise Function As A Service) helps customers reduce business cost rather than just the process cost as was the case in traditional BPO.

The Chairman of the Company, who is the Chief Strategy Officer, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Company and geographic segmentation of customers.

Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

(ii) Geographic segments

Segment revenue from customers by geographical areas are stated based on geographical location of the customer and segment assets by geographical location of the assets.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Company in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Company within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets consist mainly of allocable fixed assets, trade receivables, loans and advances and unbilled receivables. Segment assets do not include unallocated corporate assets, treasury assets, net deferred tax assets, advance taxes and Minimum Alternate Tax.

Segment liabilities include trade payables, and other liabilities. Segment liabilities do not include provision for taxes, borrowings and other unallocated corporate liabilities.

b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, charge taken for stock options issued to employees, corporate expenses and finance cost.

Financial information about the business segments for the year ended 30 June 2014 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	10,142.92	876.35	5,478.10	16,497.37
Segment results	4,438.77	203.58	2,224.26	6,866.61
Unallocated corporate expenses				(46.42)
Finance cost				(81.65)
Other income				125.96
Interest income				533.16
Net profit before taxes				**7,397.66**
Tax expense				1,413.04
Net profit after taxes				**5,984.62**
Assets				
Segment assets	4,853.81	507.22	2,244.09	7,605.12
Unallocated corporate assets				14,209.38
Total assets				**21,814.50**
Liabilities				
Segment liabilities	2,851.56	141.50	1,542.39	4,535.45
Unallocated corporate liabilities				1,525.79
Total liabilities				**6,061.24**
Capital expenditure				
Capital expenditure	506.61	29.18	43.76	579.55
Unallocated corporate capital expenditure				25.51
Total				**605.06**
Significant non-cash adjustments				
Depreciation	315.32	35.41	136.60	487.33
Unallocated corporate depreciation				3.37
Total				**490.70**
Provision/written off for doubtful debts and advances				53.27

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
Segment Revenues	8,269.23	699.62	3,548.97	**12,517.82**
Segment results	2,790.16	171.45	1,234.03	**4,195.64**
Unallocated corporate expenses				(46.82)
Finance cost				(76.46)
Other income				197.37
Interest income				181.47
Net profit before taxes				**4,451.20**
Tax Expense				840.02
Net profit after taxes				**3,611.18**
Impact of scheme of arrangement relating to earlier period (refer note 2.36)				**93.54**
Profit for the year				**3704.72**
Assets				
Segment assets	4,522.09	382.47	2,013.18	6,917.74
Unallocated corporate assets				9,041.59
Total assets				**15,959.33**
Liabilities				
Segment liabilities	2,226.64	112.09	1,100.25	3,438.98
Unallocated corporate liabilities				2,282.61
Total liabilities				**5,721.59**
Capital expenditure				
Capital expenditure	281.02	44.65	98.76	424.43
Unallocated corporate capital expenditure				56.15
Total				**480.58**
Significant non-cash adjustments				
Depreciation	294.32	22.55	119.79	436.66
Unallocated corporate depreciation				5.25
Total				**441.91**
Provision/written off for doubtful debts and advances				105.07

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended 30 June 2014	Year ended 30 June 2013
America	9,098.85	7,834.32
Europe	4,902.77	3,132.66
India	935.79	563.56
Others	1,559.96	987.28
	16,497.37	**12,517.82**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2014	**30 June 2013**
America	1,530.65	1,414.08
Europe	975.32	861.95
India	18,823.14	13,352.39
Others	485.39	330.91
	21,814.50	**15,959.93**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Total cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Additions to segment fixed assets	
	30 June 2014	30 June 2013
America	-	-
Europe	10.15	2.44
India	594.81	484.56
Others	0.10	0.08
	605.06	**487.08**

2.28 Related party transactions

(a) Related parties where control exists

Direct Subsidiaries

HCL Comnet Systems & Services Limited
HCL Comnet Limited
HCL Bermuda Limited
HCL Technologies (Shanghai) Limited
HCL Eagle Limited
HCL Singapore Pte. Limited*

Step down Subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Sweden AB
HCL Italy SLR
HCL Australia Services Pty. Limited
HCL (New Zealand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL America Inc.
HCL Technologies Austria GmbH
HCL Global Processing Services Limited
HCL BPO Services (NI) Limited
HCL (Malaysia) Sdn. Bhd.
HCL Technologies Solutions Limited
HCL Poland sp. z o.o
HCL EAS Limited
HCL Insurance BPO Services Limited
HCL Expense Management Services Inc.
Axon Group Limited
Bywater Limited
HCL Technologies Solutions GmbH
Axon Solutions Pty. Limited
Axon Solutions Inc.
Axon Acquisition Company, Inc. $
Axon Solutions Limited
HCL Axon Malaysia Sdn. Bhd.
Axon Solutions Singapore Pte. Limited
Axon Solutions (Shanghai) Co. Limited
HCL Axon (Proprietary) Limited
JSPC-I Solutions Sdn. Bhd.$$
JSP Consulting Sdn. Bhd.$$
HCL Axon Technologies Inc.
HCL Argentina s.a.
HCL Hungary KFT
HCL Latin America Holding LLC
HCL Mexico S. de R.L. DE.C.V.
HCL Technologies Romania s.r.l.
HCL (Brazil) Technologia da informacao Ltda.
HCL Technologies Denmark Apps
HCL Technologies Norway AS
PT. HCL Technologies Indonesia Limited
HCL Technologies Philippines Inc.
HCL Technologies South Africa (Proprietary) Limited
HCL Arabia LLC
HCL Technologies France
Filial Espanola De HCL Technologies S.L.
Anzospan Investments Pty Limited
HCL Technologies Chile spa
HCL Investments (UK) Limited
HCL America Solutions Inc.
HCL Technologies UK Limited #
HCL Technologies B.V. ##
HCL (Ireland) Information Systems Limited ###
HCL Technologies Germany GmbH %
HCL Technologies Belgium BVBA. %%
HCL Technologies Sweden AB %%%
HCL Technologies Finland Oy **

*Direct subsidiary w.e.f 08 January 2014
$ Dissolved on 11 September 2013
$$ Dissolved on 20 June 2013
Incorporated on 20 August 2013
Incorporated on 19 September 2013
Incorporated on 29 October 2013
% Incorporated on 21 November 2013
%% Incorporated on 25 November 2013
%%% Incorporated on 18 December 2013
** Incorporated on 14 January 2014

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee benefit trusts

HCL Technologies Limited Employees Trust
Axon Group Plc Employee Benefit Trust No. 3
Axon Group Plc Employee Benefit Trust No. 4
HCL South Africa Share Ownership Trust

b) Related parties with whom transactions have taken place during the year

Direct Subsidiaries

HCL Comnet Limited
HCL Technologies (Shanghai) Limited
HCL Eagle Limited
HCL Singapore Pte Limited
HCL Comnet Systems & Services Limited

Step Down Subsidiaries

HCL Great Britain Limited
HCL (Netherlands) BV
HCL Belgium NV
HCL GmbH
HCL Sweden AB
HCL Italy SLR
HCL (New Zealand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL America Inc.
HCL Technologies Romania s.r.l
HCL Axon Solutions Sdn. Bhd
HCL (Brazil) Technologia da informacao Ltda.
HCL Technologies Denmark Apps
HCL Technologies Norway AS
HCL Poland sp. z o.o
HCL Hungry Kft
HCL Insurance BPO Services Limited
PT. HCL Technologies Indonesia Limited
HCL Technologies Philippines Inc.
HCL Technologies South Africa (Proprietary) Limited
Axon Solutions Limited
Axon Solutions Inc.
Axon Solutions Singapore Pte. Limited
Axon Solutions (Shanghai) Co. Limited
HCL Axon Technologies Inc.
HCL Argentina s.a.
HCL Mexico S. de R.L.
HCL Technologies France
Filial Espanola De HCL Technologies S.L.
HCL Technologies UK Ltd.
HCL America Solutions Inc.
HCL Technologies Chile spa
HCL Arabia LLC
HCL Axon (Pty) Ltd.
HCL Technologies Austria Gmbh
HCL Australia Services Pty. Ltd.

Associates

Statestreet HCL Services (India) Private Limited

Significant influence

Vama Sundari Investments (Delhi) Private Limited
Vama Sundari Investments (Pondi) Private Limited
HCL Corporation Private Limited
HCL Infosystems Limited
HCL Holding Private Limited
HCL Insys Pte Ltd., Singapore
HCL Infotech Limited
Slocum Management Consultancy Pvt. Ltd.
HCL Services Limited
Digilife Distribution and Marketing Services Limited
SSN Investments (Pondi) Private Limited
Naksha Enterprises Private Limited
HCL Learning Limited
Shiv Nadar Foundation

c) Key Management Personnel

Shiv Nadar, Chairman and Chief Strategy Officer
Vineet Nayar, Vice Chairman and Joint Managing Director **(upto 31st July 2013)**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year

	Revenues		Other expenses#		Interest expenses		Interest income		Corporate guarantee fees	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries										
- HCL America Inc.	6,293.01	4,751.21	593.69	435.83	-	0.16	-	0.10	7.50	4.86
- HCL Great Britain Limited	1,184.44	767.03	197.50	114.55	-	-	-	-	0.42	0.45
- HCL Australia Services Pty. Limited	478.56	484.38	25.62	4.05	-	-	-	-	0.05	0.02
- HCL Comnet Limited	0.26	3.79	46.00	90.27	-	7.37	-	-	-	-
- HCL Sweden AB	289.75	161.50	22.00	16.99	-	-	-	-	-	-
- HCL Netherlands B.V.	172.19	154.68	6.11	14.74	-	-	-	-	1.12	0.43
- HCL Insurance BPO Services Limited	-	-	-	-	-	-	-	-	(15.41)	14.05
- Others	1,148.20	671.02	282.26	279.85	-	-	-	-	1.39	0.51
Total (A)	**9,566.41**	**6,993.61**	**1,173.18**	**956.28**	**-**	**7.53**	**-**	**0.10**	**(4.93)**	**20.32**
Jointly controlled entities										
- NEC HCL System Technologies Limited	-	5.90	-	-	-	-	-	-	-	-
- Statestreet HCL Services (India) Private Limited	8.74	2.95	-	-	-	-	-	-	-	-
Total (B)	**8.74**	**8.85**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
- HCL Infosystems Limited	36.66	8.60	84.86	81.87	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	8.00	-	-	-	-	-	-	-
- HCL Infotech Limited	104.83	-	0.12	-	-	-	-	-	-	-
- HCL Services Limited	-	-	4.59	-	-	-	-	-	-	-
- Others	1.10	-	0.32	0.27	-	-	-	-	-	-
Total (C)	**142.59**	**8.60**	**97.89**	**82.14**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B+C)	**9,717.74**	**7,011.06**	**1,271.07**	**1,038.42**	**-**	**7.53**	**-**	**0.10**	**(4.93)**	**20.32**

#other expenses includes Consulting charge expense, rent expense and software license fees.

d) Transactions with related parties during the year (continued)

	Dividend income		Purchase of capital equipments		Investments		Dividend paid		Other Income (Gain on sale of building)		Interest on debentures	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries												
- HCL Comnet Systems & Services Limited	-	-	-	-	-	(12.87)	-	-	-	-	-	-
- HCL Comnet Limited	-	-	0.08	8.96	-	-	-	-	-	-	-	-
- HCL Bermuda Limited	-	-	-	-	-	464.60	-	-	-	-	-	-
- HCL Singapore Pte. Limited	24.68	8.28	-	-	-	-	-	-	-	-	-	-
Total (A)	**24.68**	**8.28**	**0.08**	**8.96**	**-**	**451.73**	**-**	**-**	**-**	**-**	**-**	**-**
Jointly controlled entities												
- NEC HCL System Technologies Limited	-	-	-	-	-	(10.78)	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**(10.78)**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence												
- HCL Infosystems Limited	-	-	27.11	19.70	-	-	-	-	-	-	-	-
- Vama Sundari investments (Delhi) private limited	-	-	-	-	-	-	304.95	311.97	-	-	-	-
- HCL Holding Private Limited.	-	-	-	-	-	-	119.55	119.55	-	-	-	-
- Shiv Nadar Foundation	-	-	-	-	-	-	4.48	-	-	-	-	-
- HCL Corporation Private Limited	-	-	-	-	-	-	-	-	-	-	-	0.48
- HCL Infsys Pte. Ltd.	-	-	9.52	1.53	-	-	-	-	-	-	-	-
- Vama Sundari investments (Pondi) Private limited	-	-	-	-	-	-	-	-	46.66	-	-	-
- Others	-	-	0.47	0.46	-	-	-	-	-	-	-	-
Total (C)	**-**	**-**	**37.10**	**21.69**	**-**	**-**	**428.98**	**431.52**	**46.66**	**-**	**-**	**0.48**
Total (A+B+C)	**24.68**	**8.28**	**37.18**	**30.65**	**-**	**440.95**	**428.98**	**431.52**	**46.66**	**-**	**-**	**0.48**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year (continued)

	Repayment of loans given to subsidiaries		Loans given to subsidiaries		Repayment of Loans taken from subsidiaries		Payment for use of facilities		Receipt for use of facilities	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries										
- HCL Comnet Limited	414.00	-	-	-	82.00	-	1.20	-	0.33	0.33
- HCL Eagle Limited	-	-	-	-	-	-	-	-	2.97	2.18
Total (A)	**414.00**	**-**	**-**	**-**	**82.00**	**-**	**1.20**	**-**	**3.30**	**2.51**
Jointly controlled entities										
Statestreet HCL Services (India) Private Limited	-	-	-	0.01	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
- HCL Infosystems Limited	-	-	-	-	-	-	1.64	1.55	-	-
- Others	-	-	-	-	-	-	0.79	0.80	-	-
Total (C)	**-**	**-**	**-**	**-**	**-**	**-**	**2.43**	**2.35**	**-**	**-**
Total (A+B+C)	**414.00**	**-**	**-**	**0.01**	**82.00**	**-**	**3.63**	**2.35**	**3.30**	**2.51**

Transactions with Key Managerial personnel during the year

	Year ended 30 June	
	2014	2013
Chairman and Chief Strategy Officer		
i) Remuneration	12.07	11.90
Vice Chairman and Joint Managing Director		
i) Remuneration	1.47	8.29
ii) Dividend paid (includes shares held through family trust)	-	0.20
iii) Stock options		
- Exercised - No's (options)	-	2,50,000
- Exercise price - ₹	-	8

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties

	Trade receivables		Trade payables		Income received in advance		Capital accounts payables (includes supplier credit)	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries								
- HCL America Inc.	1,036.83	984.78	160.06	131.36	166.57	232.55	-	-
- HCL Great Britain Limited	257.45	231.74	19.85	22.86	80.51	151.54	-	-
- HCL Singapore Pte. Limited	22.67	22.36	3.76	15.83	6.13	8.73	-	-
- HCL Australia Services Pty. Limited	33.18	65.83	7.11	0.74	4.36	8.79	-	-
- HCL Sweden AB	54.08	100.26	2.65	1.70	18.98	5.57	-	-
- Others	260.82	181.98	81.49	47.16	39.52	27.89	-	-
Total (A)	**1,665.03**	**1,586.95**	**274.92**	**219.65**	**316.07**	**435.07**	**-**	**-**
Jointly controlled entities								
- NEC HCL System Technologies Limited	-	-	-	-	-	-	-	-
- Statestreet HCL Services (India) Pvt.Ltd.	0.78	0.23	0.08	0.01	-	-	-	-
Total (B)	**0.78**	**0.23**	**0.08**	**0.01**	**-**	**-**	**-**	**-**
Significant influence								
- HCL Infosystems Limited	22.36	5.95	0.01	0.88	1.75	-	29.21	0.72
- HCL Infotech Limited	71.86	-	-	-	12.30	-	-	-
- Others	-	-	-	0.05	-	-	3.04	0.02
Total (C)	**94.22**	**5.95**	**0.01**	**0.93**	**14.05**	**-**	**32.25**	**0.74**
Total (A+B+C)	**1,760.03**	**1,593.13**	**275.01**	**220.59**	**330.12**	**435.07**	**32.25**	**0.74**

e) Outstanding balances with related parties - Continued

	Interest accrued but not due on borrowings		Advance received from customers		Loans outstanding		Guarantee outstanding	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries								
- HCL America Inc.	-	-	-	-	-	-	989.48	988.27
- HCL Technologies Solutions Limited	-	-	-	-	-	-	-	2.02
- HCL Comnet Limited	-	0.55	-	-	-	82.00	-	-
- HCL Great Britain Limited	-	-	-	-	-	-	55.07	52.02
- HCL Bermuda Limited	-	-	-	-	-	-	102.62	90.50
- HCL Japan Limited	-	-	-	-	-	-	18.06	17.82
- HCL Insurance BPO services Limited	-	-	-	-	-	-	430.99	380.12
- HCL Singapore Pte Limited.	-	-	-	-	-	-	178.15	175.79
- HCL Netherlands B.V	-	-	-	-	-	-	-	139.74
- HCL Eagle Limited	-	-	-	7.36	-	-	-	-
- Others	-	-	-	-	-	-	6.02	5.93
Total	**-**	**0.55**	**-**	**7.36**	**-**	**82.00**	**1,780.39**	**1,852.21**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties-Continued

	Liabilities for expenses		Capital advances		Long term income received in advance		Supplier credit	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries								
- HCL America Inc.	109.99	105.43	-	-	86.65	26.23	-	-
- HCL Great Britain Limited	57.80	18.26	-	-	57.59	8.22	-	-
- HCL Comnet Limited	6.34	46.52	-	-	-	-	-	-
- Others	45.60	34.11	-	-	34.37	0.69	-	-
Total (A)	**219.73**	**204.32**	**-**	**-**	**178.61**	**35.14**	**-**	**-**
Significant influence								
- HCL Infosystems Limited	7.00	7.28	0.02	0.43	-	-	3.94	52.38
- Digilife Distribution and Marketing Services Limited	-	-	-	-	-	-	6.59	-
- Others	0.98	-	-	0.65	-	-	-	-
Total (B)	**7.98**	**7.28**	**0.02**	**1.08**	**-**	**-**	**10.53**	**52.38**
Total (A+B)	**227.71**	**211.60**	**0.02**	**1.08**	**178.61**	**35.14**	**10.53**	**52.38**

e) Outstanding balances with related parties-Continued

	Loans and advances		Unbilled revenue		Deferred cost		Advance against sale of building		Interest receivables	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries										
- HCL America Inc.	11.88	11.82	350.20	204.25	-	-	-	-	-	0.07
- HCL Great Britain Limited	11.13	8.60	119.13	93.89	-	-	-	-	-	-
- HCL Comnet Limited	0.59	425.73	4.51	4.12	5.71	2.50	-	-	-	-
- HCL Australia Services Pty. Limited	0.87	1.03	18.83	23.60	-	-	-	-	-	-
- Others	18.30	6.75	50.32	51.66	-	-	-	-	-	-
Total (A)	**42.77**	**453.93**	**542.99**	**377.52**	**5.71**	**2.50**	**-**	**-**	**-**	**0.07**
Jointly controlled entities										
- Statestreet HCL Services (India) Pvt.Ltd.	0.06	0.07	2.59	2.95	-	-	-	-	-	-
Total (B)	**0.06**	**0.07**	**2.59**	**2.95**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
- HCL Infosystems Limited	6.10	15.56	9.92	16.47	-	-	-	-	-	-
- SSN Investment(Pondi) Private Limited	-	-	-	-	-	-	108.00	-	-	-
- Others	0.14	-	-	-	-	-	-	-	-	-
Total (C)	**6.24**	**15.56**	**9.92**	**16.47**	**-**	**-**	**108.00**	**-**	**-**	**-**
Total (A+B+C)	**49.07**	**469.56**	**555.50**	**396.94**	**5.71**	**2.50**	**108.00**	**-**	**-**	**0.07**

2.29 Research and development expenditure

	Year ended 30 June 2014	Year ended 30 June 2013
Revenue	152.73	157.92
Capital	-	-
	152.73	**157.92**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.30 Commitments and Contingent liabilities

a)

	As at 30 June 2014	As at 30 June 2013
i) Capital and other commitments		
Capital commitments		
Estimated amount of unexecuted capital contracts (net of advances)	743.03	1,139.47
	743.03	**1,139.47**
ii) Contingent Liabilities		
Others	1.42	5.29
Total	**1.42**	**5.29**

The amounts shown in the item above represent best possible estimates arrived at on the basis of available information. The possible outflows on account of contingent liabilities are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

b) Guarantees have been given by the Company on behalf of various subsidiaries against credit facilities, financial assistance and office premises taken on lease amounting to ₹1780.39 crores (Previous year ₹1,852.21 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

c) Bank guarantees of ₹44.89 crores (Previous year ₹45.94 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the Company fulfilling its ordinary commercial obligations.

d) The Company has negotiated extended interest bearing credit terms with certain vendors and has outstanding letters of credit of ₹949.88 crores (Previous year ₹430.33 crores) in this respect for extended payment terms up to 360 days. Interest rate on these arrangements ranges from 1.5%p.a. to 10.0%.p.a.

The Company also has letters of credit amounting to ₹2.44 crores (Previous year ₹0.29 crores) outstanding as at 30 June 2014 in the normal course of business.

e) The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants annually for conducting transfer pricing study to determine whether transactions with associated enterprises undertaken during the financial year, are on an "arms length basis". Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

2.31 Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. A majority of the forward foreign exchange/option contracts mature within one to twelve months and the forecast transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:-

Sell Covers	As at 30 June 2014	As at 30 June 2013
Foreign Currency	**₹Equivalent**	
USD/INR	3,803.23	8,319.67
GBP/INR	123.15	452.50
Euro/INR	300.07	1,129.71
Euro/USD	84.18	-
AUD/INR	-	16.44
AUD/USD	67.87	-
CHF/USD	47.35	-
SEK/USD	5.93	-
	4,431.78	**9,918.32**

Options	As at 30 June 2014	As at 30 June 2013
	₹Equivalent	
Range Forward		
USD/INR	1,508.75	545.50
GBP/INR	302.75	-
Euro/INR	313.22	-
AUD/INR	16.97	-
Total	**2,141.69**	**545.50**

The following table summarizes the activity in the hedging reserve related to all derivatives classified as cash flow hedges during the years ended 30 June 2014 and 2013.

	Year ended 30 June 2014	Year ended 30 June 2013
(Loss)/Gain as at the beginning of the year	(631.27)	(479.51)
Unrealized loss on cash flow hedging derivatives during the year	(174.63)	(218.99)
Net losses reclassified into net income on occurrence of hedged transactions	544.57	67.23
Net losses reclassified into net income as hedged transactions are not likely to occur	-	-
Loss as at the end of the year (refer note 1 and 2 below)	**(261.33)**	**(631.27)**

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹942.96 crores (Previous year ₹1,330.04 crores).

Notes:

1. The above balance as at year end is inclusive of deferred tax assets of ₹51.05 crores (Previous year deferred tax assets of ₹142.75 crores).
2. At 30 June 2014, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹132.89 crores (Previous year loss of ₹386.53 crores).

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.32. Earnings per equity share (EPS)

	Year ended 30 June 2014	Year ended 30 June 2013
Net profit as per statement of profit and loss for computation of EPS	5,984.62	3,704.72
Less: Impact of scheme of arrangement relating to earlier period	-	93.54
Profit for the year before impact of scheme of arrangement relating to earlier period	5,984.62	3,611.18
Weighted average number of shares outstanding in computation of basic EPS	698,616,947	694,783,323
Dilutive effect of stock options outstanding	9,497,266	11,501,304
Weighted average number of equity shares and equity equivalent shares outstanding in computing diluted EPS	708,114,213	706,284,627
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹) computed on the basis of profit for the year		
- Basic	85.66	53.32
- Diluted	84.51	52.45
Earnings per equity share (in ₹) computed on the basis of profit for the year before impact of scheme of arrangement relating to earlier period		
- Basic	85.66	51.98
- Diluted	84.51	51.13

2.33. Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the year ended 30 June 2014		For the year ended 30 June 2013	
	Principal	Interest	Principal	Interest
Amount due to Vendor	0.03	0.00	0.04	-
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	-
Total Interest payable -				
Accrued and unpaid during the year	-	0.01	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

2.34. Employee Benefit Plans

The Company has calculated the various benefits provided to employees as under

A. Defined Contribution Plans and State Plans

Superannuation Fund
Employer's contribution to Employees State Insurance
Employer's contribution to Employee Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended 30 June 2014	Year ended 30 June 2013
Superannuation Fund	2.02	2.20
Employer's contribution to Employees State Insurance	3.20	2.87
Employer's contribution to Employee's Pension Scheme	40.98	40.29
Total	**46.20**	**45.36**

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

B. Defined Benefit Plans

a) Gratuity
b) Employer's Contribution to Provident Fund

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days base salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan:

Statement of profit and loss
Net employee benefit expense (recognized in employee cost)

	Year ended 30 June 2014	Year ended 30 June 2013
Current service cost	43.38	37.03
Interest cost on benefit obligation	15.97	14.38
Net actuarial(gain) loss recognized in the year	(25.67)	5.57
Past service cost	-	-
Net benefit expense	**33.68**	**56.98**

Balance Sheet
Details of provision for gratuity

	Year ended 30 June 2014	Year ended 30 June 2013
Defined benefit obligations	207.94	188.38
Fair value of plan assets	-	-
	207.94	188.38
Less: Unrecognized past service cost	-	-
Plan liability	**207.94**	**188.38**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June 2014	Year ended 30 June 2013
Opening defined benefit obligations	188.38	149.47
Current service cost	43.38	37.03
Interest cost	15.97	14.38
Actuarial(gain) loss on obligation	(25.67)	5.57
Benefits paid	(14.12)	(18.07)
Closing defined benefit obligations	**207.94**	**188.38**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended 30 June 2014	Year ended 30 June 2013
Discount rate	8.80%	7.45%
Estimated Rate of salary increases	7%	7%
Employee Turnover	21%	17%
Expected rate of return on assets	N.A.	N.A

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

The following table sets out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended 30 June				
	2014	2013	2012	2011	2010
Defined benefit obligations	207.94	188.38	140.65	100.58	85.00
Experience adjustment to plan liabilities	(8.78)	(1.19)	7.69	6.75	2.21

Employer's contribution to provident fund

The actuary has provided a valuation and based on the assumption mention below, there is no shortfall as at 30 June, 2014 and 30 June, 2013.

The details of the fund and plan asset position are given below:-

	30 June 2014	30 June 2013
Plan assets at the year end	1,487.05	1,197.65
Present value of benefit obligation at year end	1,487.05	1,197.65
Asset recognized in balance sheet	**-**	**-**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

	30 June 2014	30 June 2013
Government of India(GOI) bond yield	8.80%	7.45%
Remaining term of maturity	9.40 Years	9.29 Years
Expected guaranteed interest rate	8.75%	8.50%

During the year ended 30 June 2014, the Company has contributed ₹92.79 crores (Previous year ₹86.01 crores) towards employer's contribution to the provident fund.

2.35 Joint Venture

NEC HCL System Technologies Ltd.

During the previous year, the Company has sold stake in its joint venture NEC HCL System Technologies Limited ("NECH") resulting in a profit of ₹12.41 crores. Details are given below:-

	Year ended 30 June 2013
Revenue from operations	57.81
Other income	2.12
Total revenue	**59.93**
Employee benefit expenses	26.54
Operating and other expenses	13.33
Depreciation and Amortization expense	1.36
Total	**41.23**
Profit before Tax	**18.70**
Provision for tax	6.29
Net profit after tax	**12.41**

2.36 During the previous year, in accordance with a Scheme of arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, the IT enabled services division of HCL Comnet Systems & Services Limited, a subsidiary, has been demerged and transferred to the Company on a going concern basis with effect from 1 April 2012, the appointed date.

The consideration for transfer as per the above mentioned scheme has been settled by issue of 10,125 equity shares of ₹2 each in the ratio of 227 equity shares of the Company of ₹2 each for every 100 equity shares of ₹10/-each, held by outside shareholders of HCL Comnet Systems & Services Limited.

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

In view of the above, the net profit of the transferred division for the period 1 April, 2012 to 30 June, 2012 has been reflected in the statement of profit of loss for the previous year ended 30 June, 2013 of the Company after profit after tax. A sum of ₹119.54 crores being the excess of net assets of the transferred division over the consideration paid, has been included in the balance sheet of the Company as on 30 June 2013 as Capital Reserve. The results of the operations of the transferred division for the period 1 July, 2012 to 30 June, 2013 have been included in the statement of profit and loss for the previous year ended 30 June, 2013.

Assets and Liabilities of transferred division are as under:

	Amount
Assets	
Fixed assets (Includes capital work in progress ₹3.82 crores)	47.75
Deferred tax assets	20.13
Non-current investments	279.74
Long term loans and advances	4.71
Other non-current assets	2.80
Trade receivables	158.15
Cash and bank balances	21.60
Short -term loans and advances	585.63
Other current assets	30.34
Total	**1,150.85**
Liabilities	
Long term borrowings	0.91
Long term provisions	9.58
Trade payables	60.10
Other current liabilities	87.58
Short term provisions	27.98
Total	**186.15**
Net assets acquired under the scheme of arrangement	964.70
Less: Credit balance of profit and loss account of transferred division	831.81
Less: Aggregate value of equity shares issued by the Company under the scheme of arrangement	0.48
Excess of the Net assets acquired	**132.41**
Diminution in the value of investment	12.87
Remaining excess of the net assets transferred to Capital Reserve as on 1 April 2012	**119.54**

Result of operations of transferred division for the period 1 April 2012 to 30 June 2012

	Amount
Income	
Revenue from operations	249.90
Other income	12.88
Total revenue	**262.78**
Expenses	
Employee benefit expenses	61.15
Finance costs	0.18
Depreciation and amortization expense	7.14
Other expenses	58.79
Total expenses	**127.26**
Profit before tax	**135.52**
Provision for tax	41.98
Profit after tax	**93.54**

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Further, net cash flows for the period 1 April, 2012 to 30 June, 2012 pertaining to the transferred division on account of operating, investing and financing activities aggregating ₹128.54 crores, ₹(119.04) crores and ₹0.23 crores respectively have been included in the statement of cash flows for the previous year ended 30 June, 2013 as separate line item under the respective heads.

2.37 Particulars of purchases, sales and closing stock of trading goods:

ITEMS	Opening Stock	Purchases	Sales	Closing Stock
	Value (₹)	Value (₹)	Value (₹)	Value (₹)
Software Licenses	21.98	28.94	54.52	2.33
	(15.78)	(58.32)	(58.13)	(21.98)
Servers	3.73	190.47	220.34	4.04
	(5.34)	(37.04)	(43.39)	(3.73)
Storage devices	0.70	38.23	49.55	0.07
	(1.89)	(27.78)	(51.23)	(0.70)
Routers	1.60	3.78	10.03	0.13
	(8.21)	(1.21)	(8.93)	(1.60)
Switches	2.59	6.75	18.07	0.15
	(2.39)	(2.58)	(3.11)	(2.59)
Others*	49.69	77.20	129.62	8.82
	(54.51)	(124.73)	(131.05)	(49.69)
Total	**80.29**	**345.37**	**482.13**	**15.54**
	(88.12)	(251.66)	(295.84)	(80.29)

* Does not include any item which in value individually accounts for 10% or more of the total value of sales/ stock

Notes: previous year figures are given in brackets.

2.38 CIF value of imports

	Year ended 30 June 2014	Year ended 30 June 2013
Capital goods	138.25	133.95
	138.25	**133.95**

2.39 Auditors' remuneration *

	Year ended 30 June 2014	Year ended 30 June 2013
A. As Auditors		
Statutory audit	2.42	2.20
Tax audit fees	0.28	0.25
Out of pocket expenses	0.20	0.20
B. For Certification	0.39	0.39
	3.29	**3.04**

* excluding service tax

Notes to financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

2.40 Expenditure in foreign currency (on accrual basis)

	Year ended 30 June 2014	Year ended 30 June 2013
Outsourcing costs	1,072.21	846.67
Travel	194.53	123.00
Rates and taxes	3.16	9.74
Software license fee	59.29	16.50
Communication costs	19.15	13.74
Professional fees	23.94	9.10
Cost of materials	-	37.06
Provision for doubtful debts	-	36.65
Recruitment training and development	6.60	2.95
Repair and maintenance	6.58	23.25
Dues & Subscription	11.35	8.05
Others	22.59	4.93
	1419.40	**1,131.64**

2.41 Earnings in foreign currency(on accrual basis)

	Year ended 30 June 2014	Year ended 30 June 2013
Income from services	14,239.77	11,381.19
	14,239.77	**11,381.19**

2.42 Dividend remitted in foreign currency

	Year ended 30 June 2014	Year ended 30 June 2013
Final dividend		
Number of non-resident shareholders	56	64
Number of shares held	119,980,029	120,071,159
Amount remitted in ₹(net of tax)	71.99	48.03
Amount remitted FCY	$11,612,844	$8,876,489
Year to which it relates	2012-13	2011-12
1st Interim dividend		
Number of non-resident shareholders	56	64
Number of shares held	119,953,649	120,071,159
Amount remitted in ₹(net of tax)	23.99	24.01
Amount remitted FCY	$3,901,249	$4,438,245
Year to which it relates	2013-14	2012-13
2nd Interim dividend		
Number of non-resident shareholders	53	60
Number of shares held	119,979,529	120,058,984
Amount remitted in ₹(net of tax)	47.99	24.01
Amount remitted FCY	$7,714,485	$4,454,879
Year to which it relates	2013-14	2012-13

Notes to financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

2.42 Dividend remitted in foreign currency (Contd.)

	Year ended 30 June 2014	Year ended 30 June 2013
3rd Interim dividend		
Number of non-resident shareholders	50	59
Number of shares held	119,942,486	120,033,843
Amount remitted in ₹(net of tax)	47.98	24.01
Amount remitted FCY	$7,917,322	$4,422,765
Year to which it relates	2013-14	2012-13

2.43 Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2014

Consolidated Statements

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of HCL Technologies Limited

We have audited the accompanying consolidated financial statements of HCL Technologies Limited and its subsidiaries (together referred to as ("the Group") and joint venture and associates, which comprise the Consolidated Balance Sheet as at June 30, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at June 30, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss,of the profit for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership Number: 17401

Place of Signature: Gurgaon, India
Date: July 31, 2014

Consolidated Balance Sheet as at 30 June 2014
(All amounts in crores of ₹)

	Note No.	As at 30 June 2014	As at 30 June 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	**3.1**	140.00	139.37
(b) Reserves and surplus	**3.2**	19,402.18	13,019.61
		19,542.18	**13,158.98**
(2) Share application money pending allotment	**3.3**	7.65	5.01
(3) Minority interest		57.33	44.68
(4) Non - current liabilities			
(a) Long-term borrowings	**3.4**	200.64	796.73
(b) Other long-term liabilities	**3.5**	735.75	720.21
(c) Long term provisions	**3.6**	194.36	199.81
		1,130.75	**1,716.75**
(5) Current liabilities			
(a) Short term borrowings	**3.7**	205.83	128.52
(b) Trade payables	**3.8**	468.48	401.38
(c) Other current liabilities	**3.8**	7,105.30	5,220.73
(d) Short term provisions	**3.9**	1,462.17	1,723.27
		9,241.78	**7,473.90**
TOTAL		**29,979.69**	**22,399.32**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	**3.10**	2,657.52	2,192.54
(ii) Intangible assets	**3.10**	4,786.42	4,560.00
(iii) Capital work in progress		530.95	493.84
		7,974.89	**7,246.38**
(b) Non-current investments	**3.11**	55.40	85.87
(c) Deferred tax assets (net)	**3.12**	814.96	741.88
(d) Long term loans and advances	**3.13**	1,429.49	1,273.96
(e) Other non-current assets	**3.14**	375.32	417.71
		10,650.06	**9,765.80**
(2) Current Assets			
(a) Current investments	**3.11**	606.29	627.17
(b) Inventories	**3.15**	122.30	231.50
(c) Trade receivables	**3.16**	5,682.84	4,497.15
(d) Cash and bank balances	**3.17**	8,807.30	3,577.11
(e) Short-term loans and advances	**3.18**	1,589.93	1,571.81
(f) Other current assets	**3.19**	2,520.97	2,128.78
		19,329.63	**12,633.52**
TOTAL		**29,979.69**	**22,399.32**
Summary of significant accounting policies	**1 to 3**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2014

Consolidated Statement of Profit and Loss for the year ended 30 June 2014
(All amounts in crores of ₹)

	Note No.	Year ended 30 June 2014	Year ended 30 June 2013
Income			
Revenue from operations	**3.20**	32,143.66	25,581.06
Other income	**3.21**	677.40	351.11
Total revenue		**32,821.06**	**25,932.17**
Expenses			
Cost of materials	**3.22**	1,028.98	959.34
Employee benefits expense	**3.23**	14,906.36	12,574.17
Finance costs	**3.24**	114.50	105.62
Depreciation and amortization expense	**3.10**	680.86	636.76
Other expenses	**3.25**	8,173.03	6,386.39
Total expenses		**24,903.73**	**20,662.28**
Profit before tax		**7,917.33**	**5,269.89**
Tax expense			
Current tax		(1,692.25)	(1,258.89)
Less: MAT credit entitlement		120.36	84.78
Add: MAT credit entitlement written off		-	(70.35)
Net current tax		(1,571.89)	(1,244.46)
Deferred tax credit		162.32	19.15
Profit after tax and before minority interest / share of profit (loss) of associates		**6,507.76**	**4,044.58**
Share of profit (loss) of associates		20.06	(0.21)
Share of profit of minority interest		(18.31)	(4.28)
Profit for the year		**6,509.51**	**4,040.09**
Earnings per equity share of ₹2 each	**3.27**		
Basic (in ₹)		93.18	58.15
Diluted (in ₹)		91.93	57.20
Summary of significant accounting policies	**1 to 3**		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

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Company Secretary

Noida (UP), India
31 July 2014

Consolidated Cash flow statement
(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
A. Cash flows from operating activities		
Profit before tax	7,917.33	5,269.89
Adjustment for:		
Depreciation and amortization	680.86	636.76
Interest income	(544.86)	(213.32)
Dividend income	-	(23.95)
Profit on sale of investments (net)	(58.73)	(16.57)
Profit on sale of long term investment in Joint Venture	-	(26.68)
Loss on sale of business	-	13.19
Interest expenses	54.33	70.70
Profit on sale of fixed assets (net)	(47.82)	(0.07)
Employee stock compensation expense	30.92	14.97
Other non cash charges	113.77	180.38
Operating profit before working capital changes	**8,145.80**	**5,905.30**
Movement in Working Capital		
(Increase) / decrease in trade receivables	(1,188.47)	(638.90)
(Increase) / decrease in inventories	113.03	2.16
(Increase) / decrease in loans and advances	(172.82)	(367.33)
(Increase) / decrease in other assets	(185.70)	(285.02)
Increase / (decrease) in other liabilities and provisions	1,189.90	1,139.62
Cash generated from operations	**7,901.74**	**5,755.83**
Direct taxes paid (net of refunds)	(1,444.96)	(1,264.18)
Net cash flow from operating activities (A)	**6,456.78**	**4,491.65**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	2,861.22	2,364.85
Investments in bank deposits	(7,785.10)	(3,849.07)
Purchase of investments in securities	(7,852.04)	(4,771.15)
Proceeds from sale of investments in securities	7,985.26	4,751.09
Payment for investment in mutual fund - units alloted on 01-July-2014	(59.00)	-
Deposits placed with body corporate	(571.00)	(692.00)
Proceeds from maturity of deposits placed with body corporate	742.00	50.00
Purchase of fixed assets, including intangible assets, Capital work in progress and capital advances	(719.56)	(618.69)
Proceeds from sale of fixed assets	60.74	1.63
Advance against sale of building	180.00	-
Proceeds from sale of business (refer note 2(a))	-	196.79
Proceeds from sale of long term investment in Joint Venture	-	66.32
Interest received	500.93	175.31
Dividend received	-	23.95
Taxes paid	(183.55)	(52.91)
Net cash flow used in investing activities (B)	**(4,840.10)**	**(2,353.88)**

Consolidated Cash flow statement (Contd.)
(All amounts in crores of ₹)

	Year ended 30 June 2014	Year ended 30 June 2013
C. Cash flows from financing activities		
Proceeds from issue of share capital	34.47	33.60
Repayment of debentures	-	(330.00)
Proceeds from long term borrowings	11.34	65.06
Repayment of long term borrowings	(33.70)	(619.13)
Proceeds from short term borrowings	73.47	48.19
Repayment of short term borrowings	-	(391.99)
Interest paid	(54.46)	(74.75)
Dividend paid	(1,118.39)	(694.55)
Corporate dividend tax	(184.45)	(113.75)
Principal payment on finance lease obligations	(36.25)	(8.83)
Net cash flows used in financing activities (C)	**(1,307.97)**	**(2,086.15)**
Net increase in cash and cash equivalents (A+B+C)	308.71	51.62
Effect of exchange differences on cash and cash equivalents held in foreign currency	(2.18)	(7.59)
Cash and cash equivalents at the beginning of the year	720.70	676.67
Cash and cash equivalents at the end of the year as per note 3.17 (a) (refer note below)	**1,027.23**	**720.70**

Note:

Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	2.51	2.36

* The Group can utilize these balances only towards the settlement of the respective above mentioned liabilities:

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

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Company Secretary

Noida (UP), India
31 July 2014

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Group Overview

HCL Technologies Limited (hereinafter referred to as "the Company" or "the Parent Company") and its consolidated subsidiaries, joint ventures and associates (hereinafter collectively referred to as "the Group") are primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Group leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and are presented in the format prescribed under revised Schedule VI to the Companies Act, 1956 read with general circular 08/2014 dated 04 April 2014, issued by the Ministry of Corporate Affairs. These consolidated financial statements have been prepared to comply in all material aspects with the applicable accounting standards. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Principles of consolidation

These consolidated financial statements relate to HCL Technologies Limited, the Parent Company, its subsidiaries, joint venture and associates which are as follows:

Subsidiaries of HCL Technologies Limited are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	HCL Comnet Systems & Services Limited	India	100%	100%
2	HCL Comnet Limited	India	100%	100%
3	HCL Bermuda Limited	Bermuda	100%	100%
4	HCL Technologies (Shanghai) Limited	China	100%	100%
5	HCL Eagle Limited	India	92%	92%
6	HCL Singapore Pte. Limited#	Singapore	100%	100%

direct subsidiary w.e.f 08 January 2014

Step down subsidiaries of direct subsidiaries of HCL Technologies Limited as mentioned above are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	HCL Great Britain Limited	UK	100%	100%
2	HCL (Netherlands) BV	Netherlands	100%	100%
3	HCL Belgium NV	Belgium	100%	100%
4	HCL Sweden AB	Sweden	100%	100%
5	HCL GmbH	Germany	100%	100%
6	HCL Italy SLR	Italy	100%	100%
7	HCL Australia Services Pty. Limited	Australia	100%	100%
8	HCL (New Zealand) Limited	New Zealand	100%	100%
9	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
10	HCL Japan Limited	Japan	100%	100%

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
11	HCL America Inc.	USA	100%	100%
12	HCL Technologies Austria GmbH (formerly known as HCL Holdings GmbH)	Austria	100%	100%
13	HCL Global Processing Services Limited	India	100%	100%
14	HCL BPO Services (NI) Limited	UK	100%	100%
15	HCL (Malaysia) Sdn. Bhd.	Malaysia	100%	100%
16	HCL Technologies Solutions Limited	India	100%	100%
17	HCL Poland sp. z o.o	Poland	100%	100%
18	HCL EAS Limited	UK	100%	100%
19	HCL Insurance BPO Services Limited	UK	100%	100%
20	HCL Expense Management Services Inc.	USA	100%	100%
21	Axon Group Limited	UK	100%	100%
22	HCL Axon Technologies Inc. (formerly known as Axon Solutions (Canada) Inc.)	Canada	100%	100%
23	Bywater Limited	UK	100%	100%
24	HCL Technologies Solutions GmbH (formerly known as Axon Solutions Schweiz Gmbh)	Switzerland	100%	100%
25	Axon Solutions Pty. Limited	Australia	100%	100%
26	Axon Solutions Inc.	USA	100%	100%
27	Axon Acquisition Company, Inc.#	USA	100%	100%
28	Axon Solutions Limited	UK	100%	100%
29	HCL Axon Malaysia Sdn. Bhd. (formerly known as Axon Solutions Sdn. Bhd.)	Malaysia	100%	100%
30	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%
31	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
32	HCL Axon (Proprietary) Limited	South Africa	100%	100%
33	JSPC- I Solutions Sdn. Bhd. ##	Malaysia	100%	100%
34	JSP Consulting Sdn. Bhd. ##	Malaysia	100%	100%
35	HCL Argentina s.a.	Argentina	100%	100%
36	HCL Mexico S. de R.L.	Mexico	100%	100%
37	HCL Technologies Romania s.r.l.	Romania	100%	100%
38	HCL Hungary Kft	Hungary	100%	100%
39	HCL Latin America Holding LLC	USA	100%	100%
40	HCL (Brazil) Technologia da informacao Ltda.	Brazil	100%	100%
41	HCL Technologies Denmark Apps	Denmark	100%	100%
42	HCL Technologies Norway AS	Norway	100%	100%
43	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
44	HCL Technologies Philippines Inc.	Philippines	100%	100%
45	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	100%
46	HCL Arabia LLC	Saudi Arabia	100%	100%
47	HCL Technologies France	France	100%	100%
48	Filial Espanola De HCL Technologies S.L.	Spain	100%	100%
49	Anzospan Investments Pty Limited	South Africa	70%	70%

HCL Technologies Limited Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
50	HCL Investments (UK) Limited	UK	100%	100%
51	HCL America Solutions Inc.	USA	100%	100%
52	HCL Technologies Chile Spa	Chile	100%	100%
53	HCL Technologies UK Limited.###	UK	100%	-
54	HCL Technologies B.V.$	Netherlands	100%	-
55	HCL (Ireland) Information Systems Limited $$	Ireland	100%	-
56	HCL Technologies Germany GmbH $$$	Germany	100%	-
57	HCL Technologies Belgium N.V. %	Belgium	100%	-
58	HCL Technologies Sweden AB %%	Sweden	100%	-
59	HCL Technologies Finland Oy %%%	Finland	100%	-

 # dissolved on 11 September 2013

dissolved on 20 June 2014

incorporated on 20 August 2013

$ incorporated on 19 September 2013

$$ incorporated on 29 October 2013

$$$ incorporated on 21 November 2013

% incorporated on 25 November 2013

%% incorporated on 18 December 2013

%%%incorporated on 14 January 2014

Joint Venture of HCL Technologies Limited is as follows:-

Sr. No.	Name of the Joint Venture	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	Axon Puerto Rico	Puerto Rico	49%	49%

Associates of HCL Technologies Limited are as follows:-

Sr. No.	Name of the Associates	Country of Incorporation	Year ended 30 June 2014	Year ended 30 June 2013
			Holding Percentage	
1	Statestreet HCL Holding UK Limited	UK	49%	49%
2	Statestreet HCL Services (India) Private Limited (100% subsidiary of associate)	India	49%	49%
3	Statestreet HCL Services (Phillipines) Inc. (100% subsidiary of associate)	Phillipines	49%	49%

The Group has an equity interest of 49% in associates and 100% dividend rights. The shareholders agreement provides specific rights to the two shareholders. The management believes that these specific rights do not confer joint control as defined in Accounting Standard 27 “Financial Reporting of Interests in Joint Ventures”. Consequently, Statestreet Holding UK Limited and its step down subsidiaries are not considered as joint ventures and consolidation of financial statements is carried out as per the equity method in terms of Accounting Standard 23 “Accounting for Investments in Associates in Consolidated Financial Statements”.

Subsidiary companies are those in which the Group, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors of such companies. Subsidiaries are consolidated from the date on which effective control is transferred to the Group until the date of cessation of the parent-subsidiary relationship. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group. The joint venture is accounted for using proportionate consolidation. Investments in associates are accounted for using the equity method.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

All material inter company transactions, balances and unrealized surplus and deficit on transactions between Group companies are eliminated and only the parent's share in net assets is considered for calculation of goodwill. Consistency in adoption of accounting policies among all Group companies is ensured to the extent practicable. Separate disclosures are made of minority interest.

Minority interest in subsidiaries represents the minority shareholders' proportionate share of net assets and the net income of HCL's majority owned subsidiaries.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the fair value of net assets in each acquired company. The goodwill arising on consolidation is not amortized but tested for impairment on a periodic basis.

d) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year-end, are disclosed as capital work- in-progress.

e) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management, at rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Leasehold land is depreciated over the period of lease and leasehold improvements over the remaining period of lease or 4 years, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing ₹5,000 or less are fully depreciated in the year of purchase.

The management's estimates of the useful lives of various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations and aircraft)	4 to 17
Office equipments	4
Computers	3
Furniture and fixtures	4
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold - improvements	Over the remaining period of lease or 4 years, whichever is lower

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

If persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes that intangible asset over the best estimate of its useful life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Any other goodwill including that arising on consolidation of subsidiaries is not amortized. Goodwill arising out of amalgamation is amortized over its useful life not exceeding 5 years unless a longer period can be justified.

The management's estimates of the useful life of various other intangible assets are as follows:

	Life (in years)
Software	3
Intellectual Property Rights	10

g) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) Its intention to complete the asset;

(iii) Its ability to use or sell the asset;

(iv) How the asset will generate future economic benefits;

(v) The availability of adequate resources to complete the development and to use or sell the asset; and

(vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

h) Leases

Where the Group is the lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value or present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Group transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the Group does not transfer substantially all the risk and benefits of ownership of the assets are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

i) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

k) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

l) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

m) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. The Group derives revenues primarily from:-

- Software services;
- IT Infrastructure services; and
- Business process outsourcing services.

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) IT Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned revenue arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Group periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Group gives volume discounts and pricing incentives to customers. The discount terms in the Group's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Group recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax; value added tax, service tax and applicable discounts and allowances.

Revenue from sales-type leases is recognized when risk of loss is transferred to the client and there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Interest attributable to sales-type leases and direct financing leases included therein, is recognized on accrual basis using the effective interest method.

iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Group and dividend income is recognized when the right to receive the dividend is established.

n) Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

(iv) Hedging

(a) Cash flow hedging

The Group uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Group's policies, which provide written principles on the use of such financial derivatives, consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) Hedging of monetary assets and liabilities

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

(v) Translation of integral and non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; and income and expense items of the non-integral foreign operation are translated at monthly weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

o) Retirement and other employee benefits

India

i. Contributions to provident fund, a defined benefit plan, are deposited with recognized Provident Fund Trusts, set up by the Group. The Group liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The interest rate payable by the Trusts to the beneficiaries every year is notified by the Government and the Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company and its subsidiaries in India provide for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s base salary and the tenure of employment. The liability is actuarially determined (using the projected unit credit method) at the end of each year.

iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as a short-term employee benefit and accumulated leave expected to be carried forward beyond twelve months is treated as a long-term employee benefit for measurement purposes. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans: Contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees’ Pension Scheme for the Company and its subsidiaries in India are charged to the statement of profit and loss.

Subsidiaries in the US

The Group has a Savings and Investment Plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to income in the year in which they accrue.

Subsidiaries in Europe

The Group contributes towards pension plans of the various governments for the employees of its subsidiaries in Europe. These are defined contribution plans. Contributions are charged to income in the year in which they accrue.

Subsidiaries in Australia

As per the local laws of Australia, employers must provide a minimum level of superannuation for most employees or incur a non-tax deductible superannuation guarantee charge including interest and penalties. The required level of employer superannuation contribution is a percentage of the employee's earnings base. The subsidiaries contribute to a fund approved by the Government of Australia. This is a defined contribution plan. Contributions are charged to income in the year in which they accrue.

Subsidiaries in Asia

As per local laws of Malaysia, Singapore and Japan, employers are required to contribute a notified percentage of the basic salary of the eligible employees to the fund set-up by the Government of the respective country. This is a defined contribution plan. Contributions are charged to income in the year in which they accrue.

p) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Group re-assesses recognized and unrecognized deferred tax assets. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Group recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company and its subsidiaries in India are subject to Minimum Alternative Tax (MAT) on their book profits, which give rise to future economic benefits in the form of adjustments of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the MAT credit entitlement at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

q) Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

r) Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

s) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

t) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

u) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks and corporate with an original maturity of three months or less.

2. Acquisitions / Sale

a) Sale of business

During the previous year, on March 21, 2013, the Group completed the sale of one of its divisions providing product based complete workflow automation solution that streamlines all aspects of lending and leasing operations. The Group received net proceeds of ₹196.79 crores and recognized a net loss of ₹13.19 crores. The loss was net of the fair value of certain contractual terms, certain transaction costs and the assets and liabilities sold, including goodwill of ₹176.84 crores. The loss was recorded and expensed off in the consolidated statement of profit and loss and the net proceeds were reflected in proceeds from sale of business within cash flow from investing activities in the consolidated statement of cash flows. The Group has discontinued the operation of the division. However being not material to the Group, consolidated statement disclosures related to discontinued operations have not been made.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3. Notes to consolidated financial statements

3.1 Share Capital

	As at	
	30 June 2014	30 June 2013
Authorized		
750,000,000 (Previous year 750,000,000) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and fully paid up		
699,976,381 (Previous year 696,869,857) equity shares ₹2 each	140.00	139.37

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹2/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at			
	30 June 2014		30 June 2013	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	696,869,857	139.37	693,283,476	138.66
Add: Shares issued on exercise of employee stock options	3,106,524	0.63	3,576,256	0.71
Add: Shares issued under scheme of arrangement (refer note 3.36)	-	-	10,125	0.00*
Number of shares at the end	699,976,381	140.00	696,869,857	139.37

The Company does not have any holding/ ultimate holding company.

* Absolute amount equals to ₹20,250

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at			
	30 June 2014		30 June 2013	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited	300,048,512	42.87%	311,964,982	44.77%
HCL Holdings Private Limited	119,548,908	17.08%	119,548,908	17.16%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June					
	2014	2013	2012	2011	2010	2009
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	Nil	10,125 Equity shares	Nil	Nil	Nil	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil	Nil	Nil	Nil	Nil
Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil	Nil

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2014, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

During the year ended 30 June 2013, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Number of options granted	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

Each option granted under the above plans entitles the holder to four equity shares of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended			
	30 June 2014		30 June 2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	324,422	666.37	536,630	655.52
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(184,025)	638.94	(176,588)	638.71
Expired during the year	(14,574)	645.34	(35,620)	640.08
Options outstanding at the end of the year	**125,823**	**722.45**	**324,422**	**666.37**
Options exercisable at the end of the year	**125,823**		**324,422**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,635.01 (Previous year ₹2,690.93)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2000	Year ended			
	30 June 2014		30 June 2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	583,255	641.16	1,024,030	632.18
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(301,986)	637.05	(313,419)	618.13
Expired during the year	(71,028)	653.61	(127,356)	625.65
Options outstanding at the end of the year	**210,241**	**642.84**	**583,255**	**641.16**
Options exercisable at the end of the year	**210,241**		**583,255**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,645.11 (Previous year ₹2,619.54)

ESOP 2004	Year ended			
	30 June 2014		30 June 2013	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,238,201	14.48	3,605,488	13.61
Add: Granted during the year	8,000	8.00	21,220	8.00
Less: Forfeited during the year	(225,132)	8.00	(962,180)	8.00
Exercised during the year	(290,620)	28.69	(404,057)	17.64
Expired during the year	(1,600)	1,329.66	(22,270)	88.72
Options outstanding at the end of the year *	**1,728,849**	**11.69**	**2,238,201**	**14.48**
Options exercisable at the end of the year	**274,481**		**295,101**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹4,998.73 (Previous year ₹2,942.59)

* Total number of outstanding options includes 1,252,638 as on 30 June 2014 (1,549,700 as on 30 June 2013) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2014 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	125,823	-	722.45
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	210,241	-	642.84
Employee Stock Option Plan - 2004	₹8	1,719,386	4.80	8.00
	₹642 - ₹741	9,463	-	682.38

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The details of exercise price for stock options outstanding at the end of the year 30 June 2013 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan - 1999	₹240 - ₹750	324,422	0.68	666.37
Employee Stock Option Plan - 2000	₹260 - ₹470	-	-	-
	₹483 - ₹823	583,255	0.63	641.16
Employee Stock Option Plan - 2004	₹8	2,216,841	5.61	8.00
	₹642 - ₹741	21,360	0.64	687.24

The weighted average fair value of stock options granted during the year was ₹3,304.31 (Previous year ₹1,914.35). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended	
	30 June 2014	30 June 2013
Weighted average share price	396.18	324.74
Exercise Price	₹2.00	₹2.00
Expected Volatility	30.80%	36.88%
Historical Volatility	30.80%	36.88%
Life of the options granted (vesting and exercise period) in years	3.15 - 3.21 Years	2.96 -5.00 Years
Expected dividends	₹8.00	₹8.00
Average risk-free interest rate	7.80%	7.78%
Expected dividend rate	2.02%	2.46%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The same is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

	Year ended	
	30 June 2014	30 June 2013
Net income - As reported	**6,509.51**	**4,040.09**
Add: Employee stock compensation under intrinsic value method	30.92	14.97
Less: Employee stock compensation under fair value method	39.12	16.79
Net income - Proforma	**6,501.31**	**4,038.27**
Earnings per share (₹) refer note 3.27		
Basic - As reported	93.18	58.15
- Proforma	93.06	58.12
Diluted - As reported	91.93	57.20
- Proforma	91.81	57.18

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.2 Reserves and Surplus

	Year ended	
	30 June 2014	30 June 2013
Capital redemption reserve		
Balance as per last financial statements	45.00	45.00
Add: movement during the period	-	-
	45.00	**45.00**
Securities premium account		
Balance as per last financial statements	1,863.83	1,769.76
Add: Exercise of stock option by employees	70.14	93.59
Add: Adjustment pursuant to implementation of Scheme of Arrangement (refer note 3.36)	-	0.48
	1,933.97	**1,863.83**
Debenture redemption reserve		
Balance as per last financial statements	400.00	630.00
Add: amount transferred from surplus in the statement of profit and loss	100.00	100.00
Less: amount transferred to statement of profit and loss due to redemption of debentures	-	(330.00)
	500.00	**400.00**
Share options outstanding		
Balance as per last financial statements	331.39	555.08
Add: Options granted during the period	2.89	5.68
Less: Options forfeited during the period	(35.46)	(166.42)
Less: Transferred to security premium on exercise of stock options	(38.93)	(62.95)
	259.89	**331.39**
Less:-Deferred employee compensation cost	(52.97)	(116.47)
	206.92	**214.92**
Hedging reserve account (net of deferred tax) (refer note 3.33)		
Balance as per last financial statements	(488.52)	(385.72)
Add: Movement during the period (net)	278.24	(102.80)
	(210.28)	**(488.52)**
Foreign currency translation reserve		
Balance as per last financial statements	1,070.04	755.07
Add: Exchange difference during the period on net investment in non-integral operations	346.34	314.97
	1,416.38	**1,070.04**
General reserve		
Balance as per last financial statements	1,609.15	1,229.15
Add: amount transferred from surplus in the statement of profit and loss	600.00	380.00
	2,209.15	**1,609.15**
Surplus in the statement of profit and loss		
Balance as per last financial statements	8,305.19	5,390.28
Add: Profit for the period	6,509.51	4,040.09
Add: Transfer from debenture redemption reserve due to redemption of debentures	-	330.00
Amount available for appropriation	**14,814.70**	**9,760.37**
Less: Appropriations		
Interim dividend [amount per share ₹10 (Previous year ₹6)]	699.10	416.94
Proposed final dividend [including ₹1.17 (Previous year ₹0.30) paid for previous year] [amount per share ₹Nil (Previous year ₹6)]	1.17	418.42
Total dividend	**700.27**	**835.36**
Corporate dividend tax [including ₹0.20 (Previous year ₹0.05) paid for previous year]	113.39	139.82
Transfer to general reserve	600.00	380.00
Transfer to debenture redemption reserve	100.00	100.00
	13,301.04	**8,305.19**
Net surplus in the statement of profit and loss	**19,402.18**	**13,019.61**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.3 Share application money pending allotment

	30 June 2014	30 June 2013
- number of shares proposed to be issued	598,948	356,008
- the amount of premium	7.53	4.94
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note- Share application money has not remained pending beyond the period mentioned in the share application. The maximum period within which the shares shall be allotted will be 180 days from the date of receipt of share application money.

3.4 Long term borrowings

	Non-current portion		Current maturities	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
(a) Secured				
Debentures (refer note 1 below)				
8.80% Secured redeemable non convertible debentures of ₹10 Lacs each (repayable on 10 September 2014)	-	500.00	500.00	-
From banks				
Long term loans (refer note 2 below)	27.84	32.88	11.69	9.82
From others				
Finance lease obligations (refer note 3 below and note 3.26(i))	172.67	258.34	94.48	90.13
Others (refer note 4 below)	-	0.76	0.76	13.05
(b) Unsecured				
Others (refer note 5 below)	0.13	4.75	4.65	6.16
	200.64	**796.73**	**611.58**	**119.16**
Amount disclosed under the head "other current liabilities" (note 3.8)			**(611.58)**	**(119.16)**
	200.64	**796.73**	**-**	**-**

Note:-

1. Debentures have a maturity period of five years redemable at par and are secured against computers, softwares, plant and machinery, receivables from subsidiaries and specified land and building of the Company.
2. The Group has availed a term loan of ₹39.53 crores (Previous year ₹42.70 crores) secured by hypothecation of vehicles of ₹76.91 crores (Previous year ₹69.55 crores) at interest rates ranging from 8% to 11%. The loans are repayable over a period of 3 to 5 years on a monthly basis.
3. The Finance lease obligation are secured against network equiptment and vehicles acquired by group on finance lease at interest rates ranging from 8% to 11%.
4. The other long term loan of ₹0.76 crores represents loan taken for purchases of plant and machinery (Previous year ₹13.81 crores) at interest rates ranging from 0% to 6.79% secured by hypothecation of gross block of plant and machinery of ₹81.49 crores (Previous year ₹81.49 crores) of a subsidiary. The loans are repayable till July 2014.
5. The other long term loan of ₹4.78 crores represents loan taken for purchases of plant and machinery (Previous year ₹10.91 crores) at interest rates ranging from 0% to 6.79%. The loans are repayable till July 2015.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.5 Other long term liabilities

	As at	
	30 June 2014	30 June 2013
Income received in advance	587.38	454.42
Unrealized loss on forward covers	128.20	244.80
Other liabilities	20.17	20.99
	735.75	**720.21**

3.6 Long term provisions

	As at	
	30 June 2014	30 June 2013
Provision for employee benefits	194.36	199.81
	194.36	**199.81**

3.7 Short term borrowings

	As at	
	30 June 2014	30 June 2013
Unsecured		
Bank overdraft	205.83	128.52
	205.83	**128.52**

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

3.8 Trade payable and other current liabilities

	As at	
	30 June 2014	30 June 2013
Trade payables	467.75	399.27
Trade payables-related parties	0.73	2.11
	468.48	**401.38**
Other current liabilities		
Current maturities of long term loans	611.58	119.16
Interest accrued but not due on borrowings	2.56	2.69
Unclaimed dividend	2.51	2.36
Advances received from customers	44.79	79.19
Unrealized loss on forward cover	136.75	437.91
Capital accounts payables (includes supplier credit ₹604.27 Previous year ₹297.67)	763.69	398.20
Capital accounts payables-related parties (includes supplier credit ₹28.24 Previous year ₹7.12)	32.26	7.87
Income received in advance	785.99	634.63
Income received in advance-related parties	14.80	0.77
Accrued salaries and benefits		
Employee bonuses accrued	787.50	774.27
Other employee costs	457.19	387.55
Other liabilities		
Liabilities for expenses	2,118.72	1,775.98
Liabilities for expenses-related parties	8.60	7.35
Supplier credit	788.30	300.52
Supplier credit -related parties	15.65	48.28
Withholding and other taxes payable	339.13	234.77
Book Overdraft	15.28	9.23
Advance against sale of building -related parties	180.00	-
	7,105.30	**5,220.73**

3.9 Short term provisions

	As at	
	30 June 2014	30 June 2013
Provision for employee benefits	508.47	437.10
Proposed dividend on equity shares	-	418.12
Taxes on dividend	-	71.06
Provision for warranties	1.27	1.67
Income taxes (refer note 1 below)	951.02	793.96
Wealth tax (refer note 2 below)	1.41	1.36
	1462.17	**1723.27**

Notes:-

1. Net of advance income tax of ₹4009.68 crores (Previous year ₹2,691.00 crores)

2. Net of advance wealth tax of ₹6.60 crores (Previous year ₹5.31 crores)

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Note:- 3.10 Fixed Assets (refer note 1(d), (e) and (f))

	Gross block					Accumulated depreciation / amortisation					Net block	
	As at 1 July 2013	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 1 July 2013	Charge for the period	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 30 June 2014	As at 30 June 2013
Tangible Assets												
Freehold land	86.95	-	-	0.09	87.04	-	-	-	-	-	87.04	86.95
Leasehold land	169.35	0.02	4.65	-	164.72	12.84	1.88	0.83	-	13.89	150.83	156.51
Buildings	1,286.32	531.69	11.69	4.37	1,810.69	216.16	74.59	7.25	2.41	285.91	1,524.78	1,070.16
Plant and machinery	922.51	244.88	33.82	4.20	1,137.77	635.55	132.09	33.76	3.31	737.19	400.58	286.96
Office Equipment	248.32	16.13	45.01	1.65	221.09	200.40	24.24	44.91	1.42	181.15	39.94	47.92
Computers	1,495.78	168.76	101.06	34.28	1,597.76	1,125.97	267.93	100.49	22.36	1,315.77	281.99	369.81
Furniture and fittings	625.15	66.85	49.97	10.55	652.58	508.19	63.94	49.92	9.24	531.45	121.13	116.96
Vehicles - owned	76.91	18.01	8.45	-	86.47	23.58	16.12	3.90	-	35.80	50.67	53.33
- leased	12.12	-	9.61	-	2.51	8.18	1.28	7.51	-	1.95	0.56	3.94
Total (A)	**4,923.41**	**1,046.34**	**264.26**	**55.14**	**5,760.63**	**2,730.87**	**582.07**	**248.57**	**38.74**	**3,103.11**	**2,657.52**	**2,192.54**
Intangible assets												
Goodwill	4,586.89	-	-	265.51	4,852.40	153.58	-	-	5.07	158.65	4,693.75	4,433.32
Software	673.37	55.44	0.51	13.03	741.33	555.72	91.28	0.20	10.75	657.55	83.78	117.65
Intellectual property rights	11.55	6.17	-	1.76	19.48	2.52	7.51	-	0.56	10.59	8.89	9.03
Total (B)	**5,271.81**	**61.61**	**0.51**	**280.30**	**5,613.21**	**711.82**	**98.79**	**0.20**	**16.38**	**826.79**	**4,786.42**	**4,560.00**
Total (A)+(B)	**10,195.22**	**1,107.95**	**264.77**	**335.44**	**11,373.84**	**3,442.69**	**680.86**	**248.77**	**55.12**	**3,929.90**	**7,443.94**	**6,752.54**
Previous year	9,581.82	905.98	595.78	303.20	10,195.22	3,128.72	636.76	375.42	52.64	3,442.69	6,752.54	6,453.10

Note:-

1. Gross block and additions to fixed assets include ₹16.4 crores and ₹0.34 crores (Previous year ₹16.06 crores and ₹1.70 crores) respectively and accumulated depreciation and charge for the year of ₹7.21 crores and ₹1.81 crores (Previous year ₹5.39 crores and ₹1.13 crores) respectively in respect of the Company's share of fixed assets on account of proportionate consolidation of joint ventures.(refer note 3.35)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.11 Investments

	As at	
	30 June 2014	30 June 2013
Non-current investments- at cost **(Non trade and quoted)**		
Investment in bonds(refer note 1 (i) below)	-	50.00
Aggregate amount of quoted investments (A)	**-**	**50.00**
Investment in Associates (Trade and unquoted) 10,000,000 equity shares (Previous year 8,000,000 equity shares) of $1 each in Statestreet Holding UK Limited **(B)**	55.40	35.87
Aggregate amount of non- current investments (A+B)	**55.40**	**85.87**
Current investments **(Non trade and quoted)** Investment in bonds and certificate of deposits (refer note 1 (ii) below) **(Non trade and unquoted)** Investment in mutual funds (refer note 2 below)	 212.04 394.25	 44.34 582.83
Aggregate amount of current investments	**606.29**	**627.17**

Note:-

1. The details of investments in bonds and certificate of deposits are provided below:

i) Non current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
Indian Railway Finance 6% 2015 (Series 68)	100,000	-	-	5,000	50.00
Market value		-	-	-	48.42

ii) Current - non trade and quoted

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Bonds					
IIFCL 6.85% 2014 (Tax Free Bonds)	100,000	-	-	4,418	44.34
Indian Railway Finance 6% 2015 (Series 68)	100,000	5,000	50.00	-	-
Certificate of deposits					
State Bank of Mysore	100,000	10,000	98.13	-	-
State Bank of Hyderabad	100,000	6,500	63.91	-	-
Total			**212.04**		**44.34**
Market value			**212.08**		**43.94**

2. Details of current investments in mutual funds (unquoted)

	Face Value	Balance as at 30 June 2014		Balance as at 30 June 2013	
		Units	Amount	Units	Amount
Growth Fund					
ICICI Prudential Liquid Super Inst Plan	100	3,836,633	73.92	11,083,126	195.72
TATA Liquid Fund-Plan A	1,000	44,577	10.64	192,447	41.68
HDFC Liquid Fund	10	38,784,913	99.47	51,685,375	121.58
SBI Premier Liquid Fund Super IP	1,000	328,604	67.20	114,428	21.26
UTI Liquid Fund-Cash Plan	1,000	282,876	60.37	740,275	142.18
DSP BlackRock Liquidity Fund-IP	1,000	442,860	82.65	359,777	60.41
Total			**394.25**		**582.83**

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

3.12 Deferred tax assets (net)

	As at	
	30 June 2014	30 June 2013
Deferred tax assets:		
Business losses *	51.97	57.87
Provision for doubtful debts	118.30	94.94
Accrued employee costs	293.42	234.95
Unrealized loss on derivative financial instruments	51.97	142.75
Depreciation and amortization	105.01	94.39
Employee stock compensation	38.30	37.91
Others	222.55	152.09
Gross deferred tax assets (A)	**881.52**	**814.90**
Deferred tax liabilities:		
Depreciation and amortization	1.30	20.38
Others	65.26	52.64
Gross deferred tax liabilities (B)	**66.56**	**73.02**
Net deferred tax assets (A-B)	**814.96**	**741.88**

*The Group's subsidiaries have recognized deferred tax assets on such portion of the carry forward business losses which can be utilized against its profits within the limit and carryover period permitted under laws of respective jurisdiction.

3.13 Long term loans and advances

	As at	
	30 June 2014	30 June 2013
Unsecured, considered good		
Capital advances	123.49	162.46
Capital advances-related parties	0.02	1.08
Security deposits	149.51	201.01
Others		
MAT credit entitlement	460.25	343.57
Prepaid expenses	83.07	86.08
Loans and advances to employees	0.07	0.33
Finance lease receivables (refer note 3.26 (iii))	512.67	479.43
Other loan & advances	100.41	-
	1,429.49	**1,273.96**

3.14 Other non- current assets

	As at	
	30 June 2014	30 June 2013
Unsecured considered good unless otherwise stated		
Deferred cost	375.13	417.46
Bank deposits more than 12 months (refer note 1 below)	0.19	0.19
Unrealized gain on derivative financial instruments	-	0.06
	375.32	**417.71**

Note:

1. Pledged with banks as security for guarantees ₹0.19 crores (Previous year ₹0.19 crores)

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.15 Inventories

	As at	
	30 June 2014	30 June 2013
Inventories		
Stock in trade [including in transit ₹1.34 crores(Previous year ₹1.81 crores)]	121.42	229.95
Stores and spares	0.88	1.55
	122.30	**231.50**

3.16 Trade receivables (Unsecured)

	As at	
	30 June 2014	30 June 2013
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	22.31	137.64
Unsecured considered doubtful	287.71	157.84
	310.02	**295.48**
Provision for doubtful receivables	(287.71)	(157.84)
Total (a)	**22.31**	**137.64**
(b) Other receivables		
Unsecured considered good	5,660.53	4,359.51
Unsecured considered doubtful	89.13	196.23
	5,749.66	**4,555.74**
Provision for doubtful receivables	(89.13)	(196.23)
Total (b)	**5,660.53**	**4,359.51**
Total (a)+(b) (refer note 1 below)	**5,682.84**	**4,497.15**

Note:-

1. Includes receivables from related parties amounting to ₹115.44 crores (Previous year ₹7.29 crores)

3.17 Cash and bank balances

	As at	
	30 June 2014	30 June 2013
(a) Cash and cash equivalent		
Balance with banks		
- in current accounts	910.32	547.02
- deposits with original maturity of less than 3 months	0.94	11.93
Cheques in hand	39.89	36.38
Remittances in transit	73.57	123.01
Unclaimed dividend account	2.51	2.36
	1,027.23	**720.70**
(b) Other bank balances		
Deposits with original maturity of more than 3 months but up to 12 months (refer note 1 and 2 below)	7,780.07	2,856.41
	8,807.30	**3,577.11**

Note:-

1. Pledged with banks as security for guarantees ₹0.94 crores (Previous year ₹0.25 crores)
2. In compliance of circular no. 04/2013 dated 11 February 2013 above deposits include ₹77 crores which have been maintained by the company for the purpose of repayment for redemption of the 8.80% Secured non convertible debentures of ₹500 crores repayble on 10 September 2014.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.18 Short-term loans and advances

	As at	
	30 June 2014	30 June 2013
Unsecured, considered good		
Loans and advances to related parties	6.34	1.10
Others		
Security deposits	68.44	24.54
Inter corporate deposits with HDFC Limited	571.00	742.00
Advances to suppliers	35.18	47.16
Prepaid expenses	263.01	207.74
Loans and advances to employees	57.98	73.43
Finance lease receivables (refer note 3.26 (iii))	359.63	212.40
Service tax receivable	50.27	151.26
Payment for investment in mutual fund - units alloted on 01-July-2014	59.00	-
Other loans and advances	119.08	112.18
	1,589.93	**1,571.81**
Unsecured, considered doubtful		
Loans and advances to employees	46.19	38.36
Loans and advances to others	8.88	6.55
	55.07	**44.91**
Less: Provision for doubtful advances	(55.07)	(44.91)
	1,589.93	**1,571.81**

3.19 Other current assets

	As at	
	30 June 2014	30 June 2013
Unbilled revenue	2,003.76	1,685.53
Unbilled revenue-related parties	14.14	19.43
Deferred cost	286.69	278.76
Interest receivable	116.49	72.57
Advance tax (refundable)	94.35	62.53
Unrealized gain on derivative financial instruments	5.54	9.96
	2,520.97	**2,128.78**

3.20 Revenue from operations

	Year ended	
	30 June 2014	30 June 2013
Sale of services	30,784.11	24,350.92
Sale of hardware and software	1,359.55	1,230.14
	32,143.66	**25,581.06**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.21 Other income

	Year ended	
	30 June 2014	30 June 2013
Interest income		
- On fixed deposits	529.08	204.60
- On investment	4.70	6.03
- Others	11.08	2.69
Profit on sale of current investments	58.56	16.57
Profit on sale of long term investment in joint venture (refer note 3.35)	-	26.68
Dividends from current investments	-	23.95
Profit on sale of fixed assets (refer note 1 below)	47.82	0.07
Exchange differences (net)	-	44.50
Miscellaneous income	26.16	26.02
	677.40	**351.11**

Note:-

1. Net of loss on sale of fixed assets ₹0.56 crores (Previous year ₹6.77 crores)

3.22 Cost of materials

	Year ended	
	30 June 2014	30 June 2013
Opening stock	228.14	212.02
Purchases of traded goods	920.92	975.46
	1,149.06	**1,187.48**
Closing stock	(120.08)	(228.14)
	1,028.98	**959.34**

3.23 Employee benefit expenses

	Year ended	
	30 June 2014	30 June 2013
Salaries, wages and bonus	12,964.74	11,026.94
Contribution to provident fund and other employee funds	1,843.56	1,457.77
Staff welfare expenses	67.14	74.49
Employee stock compensation expense	30.92	14.97
	14,906.36	**12,574.17**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.24 Finance cost

	Year ended	
	30 June 2014	30 June 2013
Interest		
- on debentures	44.02	48.02
- on loans from banks	10.31	22.68
- on leased assets	0.33	1.62
- others	38.18	8.45
Bank charges	21.66	24.85
	114.50	**105.62**

3.25 Other expenses

	Year ended	
	30 June 2014	30 June 2013
Rent	358.07	328.00
Power and fuel	241.99	228.58
Insurance	32.69	29.81
Repairs and maintenance		
- Plant and machinery	76.98	44.45
- Buildings	76.11	62.05
- Others	119.82	112.25
Communication costs	314.35	284.77
Books and periodicals	26.03	24.27
Travel and conveyance	1,402.05	1,137.23
Business promotion	41.12	22.19
Legal and professional charges	250.33	185.77
Outsourcing costs	4,206.52	2,842.04
Software license fee	210.73	144.51
Software tools	21.22	2.88
License and transponder fee	27.63	30.47
Printing and stationery	23.27	19.19
Rates and taxes	151.93	157.79
Advertising and publicity	2.25	18.63
Provision for doubtful advances / advances written off	0.49	23.02
Donations	2.88	11.13
Recruitment, training and development	180.95	109.49
Provision for doubtful debts / bad debts written off	113.12	150.15
Loss on sale of business (refer note 2(a))	-	13.19
Loss on sale of investment	-	6.09
Exchange differences (net)	44.06	-
Miscellaneous expenses	248.44	398.44
	8,173.03	**6,386.39**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.26 Leases

i) Finance lease : in case of assets taken on lease

The Group has acquired networking equipments and vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2014	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	100.41	5.93	94.48
	(98.06)	(7.93)	(90.13)
Later than one year and not later than 5 years	177.07	4.40	172.67
	(268.40)	(10.06)	(258.34)
	277.48	**10.33**	**267.15**
	(366.46)	(17.99)	(348.47)

Previous year figures are in brackets.

ii) Operating lease

The Group's significant leasing arrangements are in respect of operating leases for office space and accommodation for its employees. The aggregate lease rental expense recognized in the statement of profit and loss for the year amounts to ₹333.80 crores (Previous year ₹283.98 crores). The rent equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Group is ₹131.27 crores (Previous year ₹113.53 crores). Future minimum lease payments and the payment profile of non-cancellable operating lease are as follows:

	Year ended	
	30 June 2014	30 June 2013
Not later than one year	279.43	262.62
Later than one year and not later than 5 years	752.64	694.66
Later than 5 years	629.89	589.14
	1,661.96	**1,546.42**

iii) Finance lease : in case of assets given on lease

The Company has given networking equipments to its customers on finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable as on 30 June 2014	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	401.97	42.33	359.64
	(247.50)	(35.10)	(212.40)
Later than one year and not later than 5 years	567.03	64.82	502.21
	(559.47)	(84.18)	(475.29)
Later than 5 years	11.66	1.21	10.45
	(4.56)	(0.42)	(4.14)
	980.66	**108.36**	**872.30**
	(811.53)	(119.70)	(691.83)

Previous year figures are in brackets.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.27 Earnings per Share

The computation of earnings per share is as follows:

	Year ended	
	30 June 2014	30 June 2013
Net profit as per Statement of profit and loss for computation of EPS	6,509.51	4,040.09
Weighted average number of equity shares outstanding in calculating Basic EPS	698,616,947	694,783,323
Dilutive effect of stock options outstanding	9,497,266	11,501,304
Weighted average number of equity shares outstanding in calculating dilutive EPS	708,114,213	706,284,627
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	93.18	58.15
- Diluted	91.93	57.20

3.28 Segment Reporting

Identification of segments

The Group's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services.

(i) Business segments

The Group's operations predominantly relate to providing a range of IT and Business process outsourcing services (BPO) targeted at Global 2000 companies spread across USA, Europe & Rest of the World. IT Services include software services & IT infrastructure management services. Within software services, the Group provides application development & maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and R&D services to several global customers. Infrastructure management services involve managing customers' IT assets effectively. The Group's 'Enterprise of the Future'(EOF) framework helps customers not just run IT effectively but also migrate to next generation IT. EOF involves services around cloud, next generation data centres, business productivity services, integrated service management layer and an integrated application development & operations services. Business process outsourcing services include the traditional contact centre & help desk services and next generation services around platform BPO & BPAAS (Business Process As A Service) delivered through a strong global delivery model. The Group's trademarked EFAAS(Enterprise Function As A Service) helps customers reduce business cost rather than just the process cost as was the case in traditional BPO.

The Chairman of the Group, who is the Chief Strategy Officer, evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Group and geographic segmentation of customers.Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements.

(ii) Geographic segments

Segment revenue from customers by geographical areas are based on geographical location of the customer and segment assets are by geographical location of the assets.

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Group in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Group within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities

Segment assets consist mainly of allocable fixed assets, trade receivables, loans and advances and unbilled receivables. Segment assets do not include unallocated corporate assets, treasury assets, net deferred tax assets, advance taxes and Minimum Alternate Tax.

Segment liabilities include trade payables, other liabilities and borrowings. Segment liabilities do not include provision for taxes and other unallocated corporate liabilities.

b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, charge taken for stock options issued to employees, corporate expenses and finance cost.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2014 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Inter segment transactions/ eliminations	Total
Revenue					
- External revenue	19,707.36	1,386.19	11,050.11	-	32,143.66
- Internal revenue	-	-	-	-	-
Total	**19,707.36**	**1,386.19**	**11,050.11**	**-**	**32,143.66**
Segment results	**4,810.40**	**74.12**	**2,633.14**	**-**	**7,517.66**
Unallocated corporate expenses					(163.22)
Finance cost					(114.50)
Other income					132.53
Interest income					544.86
Net profit before taxes					**7,917.33**
Tax expense					(1,409.57)
Share of profit of associates					20.06
Minority Interest					(18.31)
Net profit after taxes					**6,509.51**
Assets					
Segment assets	11,776.87	852.43	5,041.31	-	17,670.61
Unallocated assets	-	-	-	-	12,309.08
Total assets					**29,979.69**
Liabilities					
Segment liabilities	5,018.12	289.87	3,621.03	-	8,929.02
Unallocated liabilities	-	-	-	-	1,443.51
Total liabilities					**10,372.53**
Capital expenditure					
Capital expenditure	573.05	37.84	83.16	-	694.05
Unallocated corporate capital expenditure	-	-	-	-	25.51
Total					**719.56**
Significant non-cash adjustments					
Depreciation	370.91	55.69	250.89	-	677.49
Unallocated corporate depreciation	-	-	-	-	3.37
Total					**680.86**
Provision / written off for doubtful debts and advances					113.61

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2013 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Inter segment transactions/ eliminations	Total
Revenue					
- External revenue	16,974.78	1,081.44	7,524.84	-	25,581.06
- Internal revenue	-	-	-	-	-
Total	**16,974.78**	**1,081.44**	**7,524.84**	**-**	**25,581.06**
Segment results	**3,600.39**	**59.45**	**1,435.82**	**-**	**5,095.66**
Unallocated corporate expenses					(71.26)
Finance cost					(105.62)
Other income					137.79
Interest income					213.32
Net profit before taxes					**5,269.89**
Tax expense					**(1,225.31)**
Share of loss of associates					(0.21)
Minority interest					(4.28)
Net profit after taxes					**4,040.09**
Assets					
Segment assets	10,623.72	617.84	4,140.65	-	15,382.21
Unallocated assets	-	-	-	-	7,017.11
Total assets					**22,399.32**
Liabilities					
Segment liabilities	4,155.46	232.04	2,704.45	-	7,091.95
Unallocated liabilities	-	-	-	-	2,098.70
Total liabilities					**9,190.65**
Capital expenditure					
Capital expenditure	333.72	52.97	174.21	-	560.90
Unallocated corporate capital expenditure	-	-	-	-	56.16
Total					**617.06**
Significant non-cash adjustments					
Depreciation	337.47	59.82	234.22	-	631.51
Unallocated corporate depreciation	-	-	-	-	5.25
Total					**636.76**
Provision / written off for doubtful debts and advances					173.17

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

Segment revenue from customers by geographic area based on location of the customer is as follows:

	Year ended	
	30 June 2014	30 June 2013
America	16,858.55	14,798.48
Europe	9,257.97	6,789.44
India	1,488.43	1,076.73
Others	4,538.71	2,916.41
Total	**32,143.66**	**25,581.06**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2014	30 June 2013
America	4,932.37	4,290.89
Europe	7,788.73	6,496.27
India	15,414.62	10,583.60
Others	1,843.97	1,028.56
Total	**29,979.69**	**22,399.32**

Total Cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Addition to segment fixed assets	
	30 June 2014	30 June 2013
America	51.60	78.08
Europe	46.46	42.76
India	596.34	483.32
Others	25.16	14.53
Total	**719.56**	**618.69**

3.29 Related Parties

a) **Related parties where control exists**
Employee benefit trusts
HCL Technologies Limited Employees Trust
Axon Group Plc Employee Benefit Trust No. 3
Axon Group Plc Employee Benefit Trust No. 4
HCL South Africa Share Ownership Trust

b) **Related parties with whom transactions have taken place during the year**
Jointly controlled entities
Axon Puerto Rico Inc., Puerto Rico

Key Management Personnel
Shiv Nadar - Chairman and Chief Strategy Officer
Vineet Nayar - Vice - Chairman and Joint Managing Director (upto 31 July 2013)

Others (Significant influence)
Vama Sundari Investments (Delhi) Private Limited
HCL Corporation Private Limited
Vama Sundari Investments (Pondi) Private Limited
HCL Infosystems Limited
SSN Investment(Pondi) Private Limited
HCL Learning Limited
Naksha Enterprises Private Limited
HCL Infotech Limited
Slocum Management Consultancy Private Limited
Shiv Nadar Foundation
HCL Holding Private Limited

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

HCL Insys. Pte. Limited, Singapore
Digilife Distribution and Marketing Services Limited
HCL Services Limited

Associates
Statestreet HCL Services (India) Private Limited
State Street HCL Services(Phillipines) INC.

Transactions with related party during the normal course of business:

	Jointly controlled		Others		Dividend paid	
	Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2014	2013	2014	2013	2014	2013
Sale of materials and services	**25.47**	**34.42**	**158.17**	**8.60**	**-**	**-**
- HCL Infosystems Limited	-	-	52.20	8.60	-	-
- Axon Puerto Rico Inc.	14.78	12.83	-	-	-	-
- NEC HCL Systems Technologies Limited	-	18.64	-	-	-	-
- HCL Infotech Limited	-	-	104.83	-	-	-
- Statestreet HCL Services (India) Private Limited	8.99	2.95	-	-	-	-
- Others	1.70	-	1.14	-	-	-
Purchase of materials and services	**13.03**	**6.19**	**108.80**	**90.10**	**-**	**-**
- HCL Infosystems Limited	-	-	89.92	89.83	-	-
- Axon Puerto Rico Inc.	12.36	6.19	-	-	-	-
- HCL Services Limited	-	-	4.80	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	12.56	-	-	-
- Others	0.67	-	1.52	0.27	-	-
Payment for use of facilities	**-**	**-**	**2.43**	**1.55**	**-**	**-**
- HCL Infosystems Limited	-	-	1.64	1.55	-	-
- HCL Corporation Private Limited	-	-	0.79	-	-	-
Purchase of capital equipments	**-**	**-**	**37.11**	**22.98**	**-**	**-**
- HCL Infosystems Limited	-	-	27.11	21.00	-	-
- HCL Insys. Pte. Limited, Singapore	-	-	9.52	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	-	0.45	-	-
- Others	-	-	0.48	1.53	-	-
Others (Significant influence)	**-**	**-**	**46.66**	**-**	**428.98**	**431.52**
- Vama Sundari Investments (Delhi) Private Limited	-	-	-	-	304.95	311.97
- HCL Holding Private Limited	-	-	-	-	119.55	119.55
- Vama Sundari Investment (Pondi) Private Limited*	-	-	46.66	-	-	-
- Shiv Nadar Foundation	-	-	-	-	4.48	-

* Gain on sale of building

Transactions with Key Managerial personnel during the year

	Year ended	
	30 June 2014	30 June 2013
Chairman and Chief Strategy Officer		
i) Remuneration	16.78	16.47
Vice-Chairman and Joint Managing Director		
i) Remuneration	1.47	9.27
ii) Dividend Paid (includes shares held through family trust)	-	0.20
iii) Stock options		
- Exercised - No's (options)	-	250,000
- Exercise price - ₹	-	8

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

c) Outstanding balances

	Jointly controlled entities		Others	
	As at		As at	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Trade receivables	**5.63**	**4.99**	**109.81**	**2.30**
- HCL Infosystems Limited	-	-	37.95	2.30
- Axon Puerto Rico Inc.	3.95	3.95	-	-
- HCL Infotech Limited	-	-	71.86	-
- Statestreet HCL Services (India) Private Limited	1.68	1.04	-	-
Capital Advance	**-**	**-**	**0.02**	**1.08**
- HCL Infosystems Limited	-	-	0.02	0.43
- Others	-	-	-	0.65
Unbilled Revenue	**4.22**	**2.96**	**9.92**	**16.47**
- HCL Infosystems Limited	-	-	9.92	16.47
- Axon Puerto Rico Inc.	-	0.01	-	-
- Statestreet HCL Services (Phillipines) INC.	1.51	-	-	-
- Statestreet HCL Services (India) Private Limited	2.59	2.95	-	-
- Others	0.12	-	-	-
Loans and Advances	**0.08**	**0.07**	**6.26**	**1.03**
- HCL Infosystems Limited	-	-	6.10	1.03
- HCL Corporation Private Limited	-	-	0.16	-
- Statestreet HCL Services (Phillipines) INC.	0.03	-	-	-
- Statestreet HCL Services (India) Private Limited	0.05	0.07	-	-
Capital Accounts Payable	**-**	**-**	**32.26**	**7.87**
- HCL Infosystems Limited	-	-	29.22	7.87
- Others	-	-	3.04	-
Supplier Credit	**-**	**-**	**15.65**	**48.28**
- HCL Infosystems Limited	-	-	4.63	48.28
- Digilife Distribution and Marketing Services Limited	-	-	11.02	-
Trade payables and other current liabilities	**1.65**	**1.94**	**202.48**	**8.29**
- HCL Infosystems Limited	-	-	9.22	8.24
- Axon Puerto Rico Inc.	-	1.17	-	-
- SSN Investment (Pondi) Private Limited *	-	-	180.00	-
- HCL Infotech Limited	-	-	12.30	-
- Statestreet HCL Services (Phillipines) INC.	0.81	-	-	-
- Statestreet HCL Services (India) Private Limited	0.84	-	-	-
- Others	-	0.77	0.96	0.05

*** Advance against sale of building**

3.30 Research and Development Expenditure

	Year ended	
	30 June 2014	30 June 2013
Revenue	152.73	157.92
Capital	-	-
	152.73	**157.92**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.31 Commitments and Contingent Liabilities

a)

	As At	
	30 June 2014	30 June 2013
i) Capital and Other Commitments		
Capital commitments		
Estimated amount of unexecuted capital contracts (net of advances)	903.94	1,161.37
ii) Contingent Liabilities		
Others	6.39	13.53
	910.33	**1,174.90**

The amounts shown in the item above represent best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

b) Guarantees have been given by the Group against credit facilities, financial assistance and office premises taken on lease amounting to ₹72.53 crores (Previous year ₹75.71 crores). These guarantees have been given in the normal course of the Group's operations and are not expected to result in any loss to the Group, on the basis of the Group fulfilling its ordinary commercial obligations.

c) The Group and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting a transfer pricing study to determine whether transactions with associate enterprises are undertaken, during the financial year, on an arms length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms length so that aforesaid legislation will not have any impact on the financial statements.

d) During the year ended 30 June 2014, the Group has negotiated extended interest bearing credit terms with certain vendors and issued ₹1436.47 crores (Previous year ₹653.59 crores) of letters of credit in this respect for extended payment terms up to 360 days. The interest rate on these arrangements ranges from 1.5%p.a. to 10.0%p.a.

The Group also has letters of credit amounting to ₹2.44 crores (Previous year ₹1.26 crores) outstanding for year ended 30 June 2014 in the normal course of business.

3.32 Sale of Receivables

The Group has revolving trade receivables based facilities permitting it to sell certain accounts receivables to banks on a non-recourse basis in the normal course of business. The aggregate maximum capacity utilized by the Group at any time during the year was ₹244.15 crores (previous year ₹207.87 crores). Gains or losses on sale are recorded at the time of transfer of these accounts receivables and are immaterial. The Group has retained servicing obligations, which are limited to collection activities related to the non-recourse sales of accounts receivables. As of June 30, 2013 and 2014, the Group had the entire limit of ₹752.33 crores available under these programs and there were no outstanding service obligations.

3.33 Derivative Financial Instruments and Hedge Accounting

(a) Foreign currency forward and option contracts

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Group's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counter party in these derivative instruments is a bank and the Group considers the risks of non-performance by the counterparty as non-material.

The Group does not use forward covers and currency options for speculative purposes.

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The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Sell covers	As at 30 June	
	2014	2013
Foreign Currency	Rupee equivalent (₹ in Crores)	
USD / INR	3,803.23	8,319.67
GBP / INR	123.15	452.50
EURO / INR	300.07	1,129.71
EURO / USD	265.46	174.70
AUD / INR	-	16.44
AUD / USD	67.87	47.94
SGD / USD	-	21.12
CHF / USD	47.35	-
ZAR / USD	13.63	64.73
CAD / USD	-	62.32
SEK / USD	157.74	84.46
	4,778.50	**10,373.59**

Buy covers	As at 30 June	
	2014	2013
Foreign Currency	Rupee equivalent (₹ in Crores)	
JPY / USD	14.85	41.98
SEK / USD	71.65	-
CAD / USD	14.09	-
MYR / USD	38.43	15.97
GBP / USD	485.42	208.15
SGD / USD	26.52	52.81
	650.96	**318.91**

Options	As at 30 June	
	2014	2013
Foreign Currency	Rupee equivalent (₹ in Crores)	
Range Forward		
USD / INR	1,508.75	545.50
GBP / INR	302.75	-
EURO / INR	313.22	-
AUD / INR	16.97	-
Total	**2,141.69**	**545.50**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table summarizes the activity in the hedging reserves related to all derivatives classified as cash flow hedges during the years ended 30 June 2014 and 2013:

	Year ended 30 June	
	2014	2013
(Loss)/Gain as at the beginning of the year	(631.27)	(479.66)
Unrealized loss on cash flow hedging derivatives during the year	(174.63)	(218.19)
Net losses reclassified into net income on occurrence of hedged transactions	544.57	66.58
Loss as at the end of the year (refer note 1 and 2 below)	(261.33)	(631.27)

As of the balance sheet date, the Group net foreign currency exposure that is not hedged is ₹1652.34 crores (Previous year ₹916.88 crores).

Notes:

1. The above balance as at year end is inclusive of deferred tax assets of ₹51.05 crores (Previous year deferred tax assets of ₹142.75 crores).
2. At 30 June 2014, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹132.89 crores (Previous year loss of ₹386.53 crores).

3.34 Employee Benefit Plans

The Group has calculated the various benefits provided to employees as under:

A. Defined Contribution Plans and State Plans

Superannuation Fund

Employer's contribution to Employees State Insurance

Employer's contribution to Employee Pension Scheme

During the year the Company and its subsidaries in India has recognized the following amounts in the statement of profit and loss :-

	Year ended 30 June	
	2014	2013
Superannuation Fund	2.02	2.20
Employer's contribution to Employees State Insurance	3.64	3.30
Employer's contribution to Employee's Pension Scheme	42.49	41.93
Total	**48.15**	**47.43**

Subsidiaries in US

Total contribution made to the plan by the US subsidiaries, for the years ended 30 June 2014 is ₹50.49 crores (Previous year ₹47.15 crores).

Subsidiaries in Australia

Total contribution made to the plan by the subsidiaries in Australia, for the years ended 30 June 2014 is ₹38.39 crores (Previous year ₹36.78 crores).

Subsidiaries in Europe

Total contribution made to the plan by the subsidiaries in Europe, for the years ended 30 June 2014 is ₹128.24 crores (Previous year ₹71.54 crores).

Subsidiaries in Asia (excluding India)

Total contribution made to the plan by the subsidiaries in Asia, for the years ended 30 June 2014 is ₹38.77 crores (Previous year ₹41.77 crores).

Notes to consolidated financial statements for the year ended 30 June 2014
(All amounts in crores of ₹, except share data and as stated otherwise)

B. Defined Benefit Plans

a) Gratuity

b) Employer's contribution to provident fund

Gratuity

The subsidiaries based out in India has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days base salary (last drawn salary) for each completed year of service.

The following table sets out the status of the gratuity plan :

Statement of profit and loss

Net employee benefit expense (recognized in Employee Cost)

	Year ended 30 June	
	2014	2013
Current Service cost	44.78	36.44
Interest cost on benefit obligation	16.59	14.27
Expected return on plan assets	-	-
Net Actuarial loss recognized in the year	(26.42)	5.68
Past Service cost	-	-
Net benefit expense	**34.95**	**56.39**

Balance Sheet

Details of provision for gratuity

	Year ended 30 June	
	2014	2013
Defined benefit obligations	214.27	195.97
Fair value of plan assets	-	0.08
	214.27	196.05
Plan liability	**214.27**	**196.05**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June	
	2014	2013
Opening defined benefit obligations	196.05	156.07
Current service cost	44.78	36.44
Interest cost	16.59	14.27
Actuarial loss on obligation	(26.42)	5.68
Benefits paid	(16.73)	(16.41)
Closing defined benefit obligations	**214.27**	**196.05**

Changes in fair value of the plan assets are as follows:

	Year ended 30 June	
	2014	2013
Opening fair value of plan assets	0.08	0.08
Benefits paid	(0.08)	-
Closing fair value of plan assets	**-**	**0.08**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Group's plans are

	Year ended 30 June	
	2014	2013
Discount rate	8.80%	7.45%
Estimated Rate of salary increases	7.00%	7.00%
Employee Turnover	21.00%	17.00%
Expected rate of return on assets	N.A.	N.A.

The estimates of future salary increases, considered in the actuarial valuation,take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The following table sets out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended				
	30 June 2014	30 June 2013	30 June 2012	30 June 2011	30 June 2010
Defined benefit obligations	214.27	196.05	156.15	111.37	94.36
Plan assets	-	0.08	0.08	0.08	0.05
Experience adjustment to plan liabilities	(9.01)	(1.88)	8.92	5.15	(2.23)
Experience adjustment to plan assets	-	-	-	-	-

Employers Contribution to Provident Fund

The actuary has provided a valuation and based on the assumption mentioned below, there is no shortfall as at 30 June, 2014 and 30 June, 2013.

The details of the fund and plan asset position are given below:-

	30 June 2014	30 June 2013
Plan assets at the year end	1,578.10	1,303.73
Present value of benefit obligation at year end	1,578.10	1,303.73
Asset recognized in balance sheet	**-**	**-**

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	30 June 2014	30 June 2013
Government of India (GOI) bond yield	8.80%	7.45%
Remaining term of maturity	9.40 years	9.29 years
Expected guaranteed interest rate	8.75%	8.50%

During the year ended 30 June 2014, the Group has contributed ₹94.96 crores (Previous year ₹88.72 crores) towards employer's contribution to Provident Fund.

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

3.35. Joint Venture

The Group has an interest in the following jointly controlled entity:

NEC HCL System Technologies Ltd.

During the previous year, the company has sold its stake in its joint venture NEC HCL System Technologies Limited (NECH) resulting a profit of ₹26.68 crores. Details are given below:-

The aggregate amounts of income and expenditure to the extent of the interest of the Group in the above jointly controlled entity are given hereunder:

	Year ended
	30 June 2013
Revenue from operations	57.81
Other income	2.12
Total revenue	**59.93**
Employee benefit expenses	26.54
Other expenses	13.33
Depreciation and amortization expense	1.36
Total expenses	**41.23**
Profit before tax	**18.70**
Provision for tax	6.29
Net profit after tax	**12.41**

Name of the Company	Shareholding as on 30 June 2014	Shareholding as on 30 June 2013	Incorporated in
Axon Puerto Rico Inc.	49%	40%	Puerto Rico

	Year ended	
	30 June 2014	30 June 2013
Revenue from operations	58.83	39.38
Total revenue	**58.83**	**39.38**
Employee benefit expenses	38.90	31.52
Other expenses	9.47	6.22
Depreciation and amortization expense	1.82	1.48
Total expenses	**50.19**	**39.22**
Profit before tax	**8.64**	**0.16**
Provision for tax	0.56	0.07
Net profit after tax	**8.08**	**0.09**

Notes to consolidated financial statements for the year ended 30 June 2014

(All amounts in crores of ₹, except share data and as stated otherwise)

	Year ended	
	30 June 2014	30 June 2013
Assets		
Tangible assets		
Building	5.73	7.25
Plant and machinery	3.46	3.41
Total tangible assets (A)	**9.19**	**10.66**
Capital Work in Progess **(B)**	0.05	-
Total fixed assets (A+B)	**9.24**	**10.66**
Trade receivables	15.37	12.88
Cash and bank balances	10.57	5.51
Other current assets	1.18	0.49
Liabilities		
Liabilities and provisions	20.12	21.25

Notes:

a. Axon Puerto Rico Inc. financial statements are for the period ended 31 May 2014 and 2013 respectively.

b. There is no material transaction between the reporting dates of the JV and that of Group.

3.36. Scheme of arrangement

During the previous year, in accordance with the terms of a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, approved by the Hon'ble High Court of Delhi vide its order dated 12 April 2013, the IT enabled services division of HCL Comnet Systems & Services Limited, a subsidiary, has been demerged and transferred to the Company on a going concern basis with effect from 1 April 2012, the appointed date.

The consideration for transfer as per the above mentioned scheme has been settled by issue of 10,125 equity shares of ₹2 each in the ratio of 227 equity shares of the Company of ₹2 each for every 100 equity shares of ₹10/- each held by outside shareholders of HCL Comnet Systems & Services Limited. This has resulted in increase in share capital and securities premium by ₹20,250 and ₹0.48 crores respectively.The above scheme does not have any impact on the consolidated profit and loss of the Group.

3.37. Previous year comparatives

Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
31 July 2014

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
31 July 2014

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act,1956

Sl. No	Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest in the subsidiary at the end of financial year		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns members of Holding Company which are not dealt with in the Company's Accounts (All amounts in ₹ thousands)		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns Members of Holding Company which are dealt with in the Company's Accounts (All amounts in ₹ thousands)	
			Shareholding (No. of Shares)	Extent of holding (%)	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary
1.	HCL Bermuda Limited	30-Jun-14	409,670,582	100	700,102	(1,541,187)	Nil	Nil
2.	HCL America Inc.	30-Jun-14	7,474,410	100	33,467	6,829,518	Nil	Nil
3.	HCL Great Britain Limited	30-Jun-14	10,568,334	100	1,199,284	2,017,829	Nil	Nil
4.	HCL Sweden AB	30-Jun-14	10,000	100	167,759	280,509	Nil	Nil
5.	HCL (Netherlands) BV	30-Jun-14	400	100	258,396	725,077	Nil	Nil
6.	HCL GmbH	30-Jun-14	257	100	115,643	107,167	Nil	Nil
7.	HCL Italy SRL	30-Jun-14	20,000,000	100	(10,753)	(164,854)	Nil	Nil
8.	HCL Belgium NV	30-Jun-14	143,937	100	34,509	(1,654)	Nil	Nil
9.	HCL Australia Services Pty. Limited	30-Jun-14	500,000	100	(721,015)	2,617,174	Nil	Nil
10.	HCL (New Zealand) Limited	30-Jun-14	10	100	162,969	551,158	Nil	Nil
11.	HCL Hong Kong SAR Limited	30-Jun-14	193,167	100	50,159	213,392	Nil	Nil
12.	HCL Japan Limited	30-Jun-14	4,400	100	132,495	328,260	Nil	Nil
13.	HCL Technologies Austria GmbH	31-Dec-13	6,500,000	100	(21,223)	4,184,303	Nil	Nil
14.	HCL Global Processing Services Limited	30-Jun-14	106,070	100	33,809	309,025	Nil	Nil
15.	HCL Comnet Systems & Services Limited	30-Jun-14	1,280	100	46,494	10,128,871	Nil	19,610
16.	HCL Arabia LLC	31-Dec-13	1,000	100	(10,989)	(23,852)	Nil	Nil
17.	HCL BPO Services (NI) Limited	30-Jun-14	4,444,445	100	(88,566)	(1,155,958)	Nil	Nil
18.	HCL Comnet Limited	30-Jun-14	949,900	100	165,314	1,198,058	Nil	Nil
19.	Anzospan Investments (PTY) Limited	30-Jun-14	16,049,999	70	(250)	(64)	Nil	Nil
20.	HCL Singapore Pte Limited	30-Jun-14	2,035,000	100	1,355,956	2,160,812	246,779	412,712
21.	HCL (Malaysia) Sdn. Bhd	30-Jun-14	100,000	100	(1,853)	358,119	Nil	Nil
22.	HCL Technologies Solutions Limited	30-Jun-14	1,050,100	100	31,070	(9,093)	Nil	Nil
23.	HCL Technologies Denmark Apps	30-Jun-14	3,268,624	100	60,764	58,768	Nil	Nil
24.	HCL Poland Sp.z.o.o.	30-Jun-14	277,000	100	(179,675)	26,764	Nil	Nil
25.	HCL Technologies (Shanghai) Limited	31-Dec-13	Not Applicable	100	91,411	(56,246)	Nil	Nil
26.	HCL Technologies France	30-Jun-14	2,516,000	100	4,246	(34,209)	Nil	Nil
27.	HCL Expense Management Services Inc	30-Jun-14	1	100	65,374	(863,658)	Nil	Nil
28.	Axon Group Limited	30-Jun-14	67,820,332	100	1,244,542	1,250,628	Nil	Nil
29.	Axon Solutions Inc.	30-Jun-14	30,970	100	884,816	(706,333)	Nil	Nil
30.	Bywater Limited	30-Jun-14	1,129,982	100	(4,723)	4,521	Nil	Nil
31.	Axon Solutions Limited	30-Jun-14	100,150	100	(16,625)	2,711,608	Nil	Nil
32.	HCL Axon Malaysia Sdn. Bhd.	30-Jun-14	10,000,000	100	461,742	(1,856,387)	Nil	Nil
33.	Axon Solutions (Shanghai) Co. Limited	31-Dec-13	Not Applicable	100	201,466	(251,629)	Nil	Nil
34.	Axon Solutions Singapore Pte Limited	30-Jun-14	100,000	100	29,798	(106,182)	Nil	Nil
35.	HCL Technologies Philippines Inc.	30-Jun-14	1,828,743	100	(23,668)	(91,734)	Nil	Nil
36.	HCL Technologies South Africa (Proprietary) Limited	30-Jun-14	2,975,000	100	66,318	85,094	Nil	Nil
37.	HCL Axon Technologies Inc.	30-Jun-14	10,000	100	164,851	(443,749)	Nil	Nil
38.	Axon Solutions Pty Limited	30-Jun-14	21,627,517	100	(51,861)	(709,388)	Nil	Nil
39.	HCL Technologies Solution GmbH	30-Jun-14	20,000	100	(2,042)	(5,849)	Nil	Nil

Statement regarding Subsidiary Companies pursuant to Section 212 of the Companies Act,1956

Sl.No	Name of the Subsidiary Company	Financial Year to which Account relate	Holding Company's interest in the subsidiary at the end of financial year		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns members of Holding Company which are not dealt with in the Company's Accounts (All amounts in ₹ thousands)		Net aggregate amount of Subsidiary Company's Profits after deducting its losses or vice versa, so far as it concerns Members of Holding Company which are dealt with in the Company's Accounts (All amounts in ₹ thousands)	
			Shareholding (No. of Shares)	Extent of holding (%)	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary	For the year ended June 30, 2014	For previous financial years of the subsidiary since it became the holding company's subsidiary
40.	HCL Technologies Norway AS	30-Jun-14	2,990	100	67,676	12,539	Nil	Nil
41.	HCL Insurance BPO Services Limited	30-Jun-14	8,110,000	100	(149,013)	(109,290)	Nil	Nil
42.	HCL America Solutions Inc.	30-Jun-14	10	100	(449)	(531)	Nil	Nil
43.	HCL EAS Limited	30-Jun-14	101,843,957	100	909,312	(2,081,930)	Nil	Nil
44.	HCL Axon (Proprietary) Limited	30-Jun-14	87,000,000	100	373,438	331,766	Nil	Nil
45.	HCL (Brazil) Technologia da informacao Ltda.	31-Dec-13	24,689,566	100	46,776	(524,965)	Nil	Nil
46.	HCL Technologies Romania s.r.l.	30-Jun-14	35,329	100	(1,460)	(1,108)	Nil	Nil
47.	HCL Hungary Kft	30-Jun-14	9,000,000	100	492	888	Nil	Nil
48.	HCL Latin America Holding LLC	30-Jun-14	13,796	100	165	3,366	Nil	Nil
49.	HCL Argentina s.a.	30-Jun-14	2,962,875	100	1,614	(4,576)	Nil	Nil
50.	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	30-Jun-14	30,000	100	3,631	5,616	Nil	Nil
51.	HCL Mexico S. de R.L.	31-Dec-13	Not Applicable	100	(63,877)	13,325	Nil	Nil
52.	HCL Investment (UK) Limited	30-Jun-14	6,405,100	100	(599)	(1,075)	Nil	Nil
53.	HCL Eagle limited	30-Jun-14	100,000	92	24,485	1,509	Nil	Nil
54.	PT. HCL Technologies Indonesia Limited	30-Jun-14	500,000	100	4,944	(16,482)	Nil	Nil
55.	HCL Technologies Chile Spa	30-Jun-14	100,000	100	25,062	-	Nil	Nil
56.	HCL Technologies UK Limited	30-Jun-14	5,000,000	100	18,473	-	Nil	Nil
57.	HCL Technologies B.V.	30-Jun-14	1,000	100	(863)	-	Nil	Nil
58.	HCL (Ireland) Information Systems Limited	30-Jun-14	10,000	100	(322)	-	Nil	Nil
59.	HCL Technologies Germany Gmbh	30-Jun-14	100,000	100	(730)	-	Nil	Nil
60.	HCL Technologies Belgium N.V.	30-Jun-14	100,000	100	(982)	-	Nil	Nil
61.	HCL Technologies Sweden AB	30-Jun-14	86,000	100	(252)	-	Nil	Nil
62.	HCL Technologies Finland Oy	30-Jun-14	100,000	100	(509)	-	Nil	Nil

Notes:

a) In respect of the subsidiaries whose financial year do not coincide with the financial year of the Company, neither there has been change in the holding company's interest in the subsidiary nor any material transaction has occurred, between the end of the financial year of such subsidiary and end of financial year of the company.

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 17 October, 2014

Note: Information on subsidiaries is provided in compliance with the General Circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company and its subsidiaries on specific requests made to it in this regard by the said shareholders at any point of time. The annual accounts of the subsidiaries will also be kept for inspection by any shareholder at the registered office of the Company and that of the subsidiary company concerned.

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956.

(All amounts in ₹ Thousands)

Sl. No.	Name of the Subsidiary Company	Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed Dividend
1.	HCL Bermuda Limited	USD	60.19	41,207,721	(1,226,725)	40,003,646	22,650	-	-	700,102	-	700,102	-
2.	HCLAmerica Inc.	USD	60.19	449,856	24,137,260	62,064,814	37,477,698	-	141,474,248	(490,504)	(523,971)	33,467	-
3.	HCL Great Britain Limited	GBP	102.63	1,084,548	4,046,839	17,249,225	12,117,837	-	39,000,126	1,443,328	244,044	1,199,284	-
4.	HCL Sweden AB	SEK	8.96	896	500,798	2,516,649	2,014,955	-	6,069,288	215,380	47,622	167,759	-
5.	HCL (Netherlands) BV	EUR	82.21	1,492	416,750	1,161,544	743,301	-	3,470,087	342,914	84,518	258,396	-
6.	HCL GmbH	EUR	82.21	2,113	434,601	2,008,419	1,571,705	-	5,871,415	157,997	42,355	115,643	-
7.	HCL Italy SRL	EUR	82.21	849	109,758	222,544	111,937	-	411,632	(4,152)	6,601	(10,753)	-
8.	HCL Belgium NV	EUR	82.21	293,341	2,406	611,293	315,546	-	870,959	43,131	8,623	34,509	-
9.	HCLAustralia Services Pty. Limited	AUD	56.56	28,280	855,888	3,467,512	2,583,343	-	12,171,900	(525,274)	195,741	(721,015)	-
10.	HCL(New Zealand) Limited	NZD	52.60	2,442	223,172	929,016	703,402	-	3,107,122	226,171	63,203	162,969	-
11.	HCL Hong Kong SAR Limited	HKD	7.77	1,500	57,457	259,990	201,032	-	1,327,243	60,223	10,064	50,159	-
12.	HCL Japan Limited	JPY	0.59	130,680	451,213	1,492,187	910,294	-	4,991,087	208,933	76,438	132,495	-
13.	HCL Technologies Austria GmbH	EUR	82.21	40,181	7,013,290	7,325,877	272,406	-	25,772	(21,075)	149	(21,223)	-
14.	HCL Global Processing Services Limited	INR	1.00	1,061	342,834	347,940	4,045	-	43,668	50,666	16,857	33,809	-
15.	HCL Comnet Systems & Services Limited	INR	1.00	92,800	(26,371)	337,392	270,963	-	414,698	46,494	-	46,494	-
16.	HCL Arabia LLC	SAR	16.48	8,240	(37,915)	136,590	166,266	-	77,481	(10,989)	-	(10,989)	-
17.	HCL BPO Services (NI) Limited	GBP	102.63	410,605	(1,492,896)	188,318	1,270,609	-	493,014	(88,566)	-	(88,566)	-
18.	HCL Comnet Limited	INR	1.00	9,499	1,900,124	6,727,539	4,817,916	500,005	5,466,023	246,780	81,465	165,314	-
19.	Anzospan Investments (PTY) Limited	ZAR	5.68	510,966	(308)	513,532	2,874	-	-	(250)	-	(250)	-
20.	HCL Singapore Pte Limited	SGD	48.22	98,122	2,017,890	4,700,885	2,584,874	-	8,708,580	1,640,302	284,347	1,355,956	-
21.	HCL (Malaysia) Sdn. Bhd	MYR	18.75	1,875	90,182	92,746	690	-	-	(710)	1,143	(1,853)	-
22.	HCL Technologies Solutions Limited	INR	1.00	10,501	53,905	83,061	18,655	-	50,485	14,035	(17,035)	31,070	-
23.	HCL Technologies Denmark Apps	DKK	11.03	36,041	125,780	770,567	608,745	-	1,924,077	80,079	19,316	60,764	-
24.	HCL Poland Sp.z.o.o.	PLN	19.77	273,046	(159,123)	764,215	650,291	-	1,146,582	(179,675)	-	(179,675)	-
25.	HCL Technologies (Shanghai) Limited	CNY	10.21	156,367	59,261	473,083	257,456	-	770,157	123,507	32,097	91,411	-
26.	HCL Technologies France	EUR	82.21	206,841	(22,717)	799,610	615,486	-	1,597,104	4,246	-	4,246	-
27.	HCL Expense Management Services Inc. #	USD	60.19	0	273,155	273,564	409	-	-	65,374	-	65,374	-
28.	Axon Group Limited.	GBP	102.63	69,580	20,421,899	20,632,281	140,802	-	-	1,244,542	-	1,244,542	-
29.	Axon Solutions Inc.	USD	60.19	1,864	4,990,096	8,484,794	3,492,834	58,982	11,959,402	351,412	(533,404)	884,816	-
30.	Bywater Limited	GBP	102.63	5,682	164,607	170,597	308	-	-	(4,723)	-	(4,723)	-
31.	Axon Solutions Limited	GBP	102.63	103	3,103,606	6,492,615	3,388,906	-	13,474,652	(1,847)	14,778	(16,625)	-
32.	HCL Axon Malaysia Sdn. Bhd.	MYR	18.75	412,458	374,230	1,180,713	394,025	-	1,945,087	377,235	(84,507)	461,742	-
33.	Axon Solutions (Shanghai) Co. Limited	CNY	10.21	21,125	(121,226)	355,136	455,236	-	401,166	201,466	-	201,466	-
34.	Axon Solutions Singapore Pte Limited	SGD	48.22	4,822	(95,313)	113,521	204,012	-	149,749	29,798	-	29,798	-
35.	HCL Technologies Philippines Inc.	PHP	1.38	252,165	(117,313)	486,548	351,696	-	511,688	(23,667)	1	(23,668)	-
36.	HCL Technologies South Africa (Proprietary) Limited	ZAR	5.68	16,890	146,583	240,263	76,790	-	578,046	92,108	25,790	66,318	-
37.	HCl Axon Technologies Inc.	CAD	56.36	688,056	(93,583)	1,651,083	1,056,611	-	2,166,956	229,898	65,047	164,851	-
38.	Axon Solutions Pty Limited	AUD	56.56	1,223,259	(1,166,975)	242,263	185,979	-	512,493	(68,888)	(17,027)	(51,861)	-
39.	HCL Technologies Solution GmbH	CHF	67.64	1,353	(3,711)	237	2,595	-	-	(1,718)	324	(2,042)	-
40.	HCL Technologies Norway AS	NOK	9.77	29,249	191,123	1,946,027	1,725,655	-	1,924,464	92,599	24,923	67,676	-
41.	HCL Insurance BPO Services Limited	GBP	102.63	832,294	(334,457)	1,111,128	613,291	-	2,528,595	(149,013)	-	(149,013)	-
42.	HCL America Solutions Inc.	USD	60.19	602	(987)	245,723	246,108	-	628,151	(1,040)	(591)	(449)	-
43.	HCL EAS Limited	USD	60.19	9,482,974	(1,147,860)	43,944,172	35,609,058	-	346,805	909,312	-	909,312	-

Statement regarding Subsidiary Companies as required by the approval granted under Section 212(8) of the Companies Act, 1956.

(All amounts in ₹ Thousands)

Sl. No.	Name of the Subsidiary Company	Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed Dividend
44.	HCL Axon (Proprietary) Limited.	ZAR	5.68	493,934	646,972	2,046,634	905,728	-	2,831,736	518,586	145,147	373,438	-
45.	HCL (Brazil) Technologia da informacao Ltda.	BRL	26.17	646,022	(458,538)	436,944	249,460	-	1,224,982	66,238	19,462	46,776	-
46.	HCL Technologies Romania s.r.l.	RON	18.76	6,626	(3,121)	11,475	7,970	-	17,878	(964)	497	(1,460)	-
47.	HCL Hungary Kft	HUF	0.27	2,392	1,596	10,602	6,614	-	13,666	519	27	492	-
48.	HCL Latin America Holding LLC	USD	60.19	744,018	3,531	747,548	-	-	-	165	-	165	-
49.	HCL Argentina s.a.	ARS	7.40	21,934	(1,949)	42,226	22,240	-	41,044	4,923	3,309	1,614	-
50.	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.	EUR	82.21	24,663	9,482	219,063	184,918	-	235,481	5,722	2,091	3,631	-
51.	HCL Mexico S. de R.L.	MXN	4.72	73,798	(34,681)	659,720	620,602	-	1,131,557	(25,397)	38,480	(63,877)	-
52.	HCL Investment (UK) Limited	GBP	102.63	657,328	(1,819)	656,062	553	655,020	-	(599)	-	(599)	-
53.	HCL Eagle limited	INR	1.00	1,000	26,124	160,570	133,446	-	259,273	25,415	930	24,485	-
54.	PT. HCL Technologies Indonesia Limited	IDR	0.01	23,003	(15,930)	66,436	59,364	-	89,549	1,090	(3,854)	4,944	-
55.	HCL Technologies Chile Spa	CLP	0.11	65,726	25,062	328,438	237,650	-	253,495	31,195	6,133	25,062	-
56.	HCL Technologies UK Limited	GBP	102.63	318,448	18,473	1,150,639	813,719	-	625,914	18,473	-	18,473	-
57.	HCL Technologies B.V.	EUR	82.21	8,221	(863)	7,569	211	-	-	(863)	-	(863)	-
58.	HCL (Ireland) Information Systems Limited	EUR	82.21	8,221	(322)	8,203	304	-	-	(322)	-	(322)	-
59.	HCL Technologies Germany Gmbh	EUR	82.21	8,221	(730)	8,255	764	-	-	(730)	-	(730)	-
60.	HCL Technologies Belgium N.V.	EUR	82.21	8,221	(982)	8,201	962	-	-	(982)	-	(982)	-
61.	HCL Technologies Sweden AB	SEK	8.96	7,703	(252)	7,629	179	-	-	(252)	-	(252)	-
62.	HCL Technologies Finland Oy	EUR	82.21	8,221	(509)	8,147	435	-	-	(509)	-	(509)	-

Notes:

Refer table given below for absolute amount of share capital in each of the following companies:-

Name of the Subsidiary Company	Share Capital(₹)
HCL Expense Management Services Inc.	60

For HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 17 October, 2014

NOTES

HCL TECHNOLOGIES LIMITED

INDIAN - GAAP

STANDALONE FINANCIAL STATEMENT

For the year ended 30 June 2015

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITOR'S REPORT

To the Members of HCL Technologies Limited

Report on the Financial Statements

We have audited the accompanying Standalone Financial Statements of HCL Technologies Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at June 30, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on June 30, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of June 30, 2015;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as of June 30, 2015;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E

per Tridibes Basu
Partner
Membership Number: 17401

Place: Gurgaon, India
Date: August 3, 2015

Annexure referred to in paragraph 1 of the section on "Report on Other Legal and Regulatory Requirements" of our report of even date
Re: HCL Technologies Limited (the Company)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over the period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	14,466,193	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	121,896,648	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	1,959,632	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	126,674	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	925,475,897	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	494,096,804	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,797,077,617	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	88,854,241	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,590,135,881	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	650,674	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	137,097,922	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	9,825,346	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	82,365,915	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	14,660,911	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	59,070,422	2005-06	Delhi High Court
Income Tax Act, 1961#	Income Tax	20,696	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	17,640,000	2004-05	Delhi High Court
Income Tax Act, 1961*	Income Tax	73,604,302	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	440,744,283	2004-05	Supreme Court of India

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961*	Income Tax	23,055,804	2004-05	Delhi High Court
Income Tax Act, 1961#	Income Tax	217,648	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	208,566,888	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	1,660,000	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	109,913,332	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	14,255,745	2003-04	Supreme Court of India
Income Tax Act, 1961	Income Tax	18,280,770	2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	66,575,462	2002-03	Supreme Court of India
Income Tax Act, 1961	Income Tax	2,852,500	2001-02	Delhi High Court
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	1,141,542	2006-11	Customs ,Excise, Service Tax Appellant Tribunal, New Delhi
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	413,219	2009-10	Customs ,Excise, Service Tax Appellant Tribunal, New Delhi
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	21,512,883	2006-07	Commissioner Appeals, Central Excise, Noida
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	8,162,466	2006-07	Customs ,Excise, Service Tax Appellant Tribunal, New Delhi
Central Excise Act, 1944	Excise Act	17,367,443	2011-12	Customs ,Excise, Service Tax Appellant Tribunal, Chennai
Customs Act, 1962	Custom Duty	5,517,609	2005-06	Customs ,Excise, Service Tax Appellant Tribunal, Bangalore

* In these cases tax demand may arise only if the matter currently subjudice before Honorable Delhi High Court is decided against the Company.

Pursuant to scheme for demerger of IT enabled business of HCL Comnet Systems & Services Limited in FY 2012 - 13

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Tridibes Basu
Partner
Membership Number: 17401

Place: Gurgaon
Date: August 3, 2015

HCL Technologies Limited
Balance Sheet as at 30 June 2015
(All amounts in crores of ₹)

	Note No.	As at 30 June 2015	As at 30 June 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	281.20	140.00
(b) Reserves and surplus	2.2	19,124.53	15,605.61
		19,405.73	15,745.61
(2) Share application money pending allotment	2.3	0.02	7.65
(3) Non - current liabilities			
(a) Long-term borrowings	2.4	27.22	27.45
(b) Other long-term liabilities	2.5	282.94	515.43
(c) Long term provisions	2.6	198.77	175.28
		508.93	718.16
(4) Current liabilities			
(a) Short term borrowings	2.7	-	29.25
(b) Trade payables	2.8	468.58	392.47
(c) Other current liabilities	2.8	3,643.67	4,006.16
(d) Short term provisions	2.9	888.13	915.20
		5,000.38	5,343.08
TOTAL		24,915.06	21,814.50
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	2.10	3,024.98	2,404.30
(ii) Intangible assets	2.10	39.25	44.27
(iii) Capital work in progress		543.95	518.50
		3,608.18	2,967.07
(b) Non-current investments	2.11	3,500.23	3,559.72
(c) Deferred tax assets (net)	2.12	217.88	311.79
(d) Long term loans and advances	2.13	1,106.39	791.65
(e) Other non-current assets	2.14	308.10	177.75
		8,740.78	7,807.98
(2) Current Assets			
(a) Current investments	2.11	624.73	556.29
(b) Inventories	2.15	83.65	15.54
(c) Trade receivables	2.16	3,578.28	3,224.19
(d) Cash and bank balances	2.17	8,829.41	7,911.08
(e) Short - term loans and advances	2.18	1,657.70	984.32
(f) Other current assets	2.19	1,400.51	1,315.10
		16,174.28	14,006.52
TOTAL		24,915.06	21,814.50
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
03 August 2015

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

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Finacial Officer

Manish Anand
Company Secretary

Noida (UP), India
03 August 2015

HCL Technologies Limited

Statement of Profit and Loss for the year ended 30 June 2015

(All amounts in crores of ₹ except share data unless otherwise stated)

	Note No.	Year ended 30 June 2015	Year ended 30 June 2014
Income			
Revenue from operations	2.20	17,153.44	16,497.37
Other income	2.21	1,199.50	659.12
Total revenue		18,352.94	17,156.49
Expenses			
Purchase of traded goods		363.76	345.37
Change in inventories of traded goods	2.22	(66.23)	64.75
Employee benefits expense	2.23	5,924.62	5,123.95
Finance costs	2.24	60.64	81.65
Depreciation and amortization expense	2.10	299.92	490.70
Other expenses	2.25	4,071.69	3,652.41
Total expenses		10,654.40	9,758.83
Profit before tax		7,698.54	7,397.66
Provision for tax			
Current tax		1,610.45	1,555.74
MAT credit entitlement		(310.43)	(115.91)
Deferred tax charge/(credit)		52.57	(26.79)
Total tax expense		1,352.59	1,413.04
Profit for the year		6,345.95	5,984.62
Earnings per equity share of par value ₹ 2 each	2.32		
Basic (in ₹)		45.17	42.83
Diluted (in ₹)		44.91	42.26
Summary of significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number: 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
03 August 2015

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

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Finacial Officer

Manish Anand
Company Secretary

Noida (UP), India
03 August 2015

S.R. BATLIBOI & CO. LLP GURGAON

HCL Technologies LTD.

HCL Technologies Limited
Cash flow statement
(All amounts in crores of ₹)

	Year ended 30 June 2015	Year ended 30 June 2014
A. Cash flows from operating activities		
Profit before tax	7,698.54	7,397.66
Adjustment for:		
Depreciation and amortization	299.92	490.70
Interest income	(795.95)	(533.16)
Dividend income	(78.24)	(24.68)
Profit on sale of investments (net)	(33.76)	(50.42)
Interest expenses	16.11	72.35
Profit on sale of fixed assets (net)	(97.06)	(47.97)
Employee stock compensation expense/(written back)	(15.39)	30.92
Other non cash (benefits)/charges	(24.08)	53.43
Operating profit before working capital changes	**6,970.09**	**7,388.83**
Movement in Working Capital		
(Increase)/decrease in trade receivables	(342.84)	(559.87)
(Increase)/decrease in inventories	(68.34)	67.16
(Increase)/decrease in loans and advances	(77.35)	5.89
(Increase)/decrease in other assets	(197.31)	(122.24)
Increase/ (decrease) in liabilities and provisions	501.57	601.21
Cash generated from operations	**6,785.82**	**7,380.98**
Direct taxes paid (net of refunds)	(1,450.15)	(1,233.76)
Net cash flow from operating activities (A)	**5,335.67**	**6,147.22**
B. Cash flows from investing activities		
Proceeds from bank deposit on maturity	7,670.35	2,653.02
Investments in bank deposits	(8,396.68)	(7,670.35)
Purchase of investments in securities	(7,774.96)	(7,354.54)
Proceeds from sale of investments in securities	7,740.27	7,344.65
Payment for investment in mutual fund - units alloted on 01 July, 2014	-	(55.00)
Deposits placed with body corporate	(1,193.00)	(564.00)
Proceeds from maturity of deposits placed with body corporate	564.00	680.50
Proceeds from repayment of loans given to subsidiaries	-	414.00
Proceeds from redemption of preference shares	59.49	-
Advance against sale of building	-	108.00
Purchase of fixed assets, including capital work in progress and capital advances	(1,059.29)	(605.06)
Proceeds from sale of fixed assets	7.69	60.47
Dividend received	78.24	24.68
Interest received	810.32	488.62
Taxes paid	(269.47)	(180.53)
Net cash flow used in investing activities (B)	**(1,763.04)**	**(4,655.54)**
C. Cash flows from financing activities		
Proceeds from issue of share capital	10.45	34.47
Repayment of debentures	(500.00)	-
Proceeds from long term borrowings	17.54	11.11
Repayment of long term borrowings	(15.92)	(13.97)
Proceeds from short term borrowings	425.07	28.78
Repayment of short term borrowings	(454.33)	(82.00)
Dividend paid	(2,385.11)	(1,118.39)
Corporate dividend tax	(439.27)	(184.45)
Interest paid	(18.64)	(72.88)
Principal payment on finance lease obligations	-	(0.34)
Net cash flow used in financing activities (C)	**(3,360.21)**	**(1,397.67)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	212.42	94.01
Effect of exchange differences on cash and cash equivalents held in foreign currency	(20.42)	(9.09)
Cash and cash equivalents at the beginning of the year	240.73	155.81
Cash and cash equivalents at the end of the year as per note 2.17 (a) (refer note below)	**432.73**	**240.73**
Summary of significant accounting policies (Note 1)		

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Note:

Cash and cash equivalents include the following:		
Investor education and protection fund-unclaimed dividend *	2.99	2.51

* The Company can utilize these balances only towards the settlement of the respective above mentioned liabilities:

As per our report of even date.

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Number: 17401

Gurgaon, India
03 August 2015

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

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Finacial Officer

Manish Anand
Company Secretary

Noida (UP), India
03 August 2015

HCL Technologies Limited
Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

Company Overview

HCL Technologies Limited (hereinafter referred to as 'HCL' or the 'Company') is primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Company leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi conductors), telecom, retail and consumer packaged goods services , media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

1. Significant Accounting Policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material aspects with the applicable accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair value.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year unless stated specifically in the accounting policies below.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible fixed assets and capital work-in-progress

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing fixed assets, including day - to - day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Fixed assets under construction and cost of assets not ready for use before the year - end, are disclosed as capital work – in - progress.

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(All amounts in crores of ₹, except share data and as stated otherwise)

d) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

The management's estimates of the useful lives of various tangible fixed assets for computing depreciation are as follows:

	Life (in years)
Land-leasehold	Over the period of lease (up to maximum of 99 years)
Buildings	20
Plant and machinery (including, air conditioners and electrical installations)	10
Office equipments	5
Computers	4-5
Furniture and fixtures	7
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold- improvements	Over the remaining period of lease or 4 years, whichever is lower

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. Hence, the useful lives for these assets are different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

Till year ended 30 June 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing ₹ 5,000/- or less in the year of purchase. However, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciation of assets costing ₹ 5,000/- or less. As per the revised policy, the Company depreciates such assets over their useful lives as assessed by the management. The management has decided to apply the revised accounting policy prospectively from the accounting year commencing on or after 01 July 2014.

The change in the accounting for depreciation of assets costing ₹ 5,000/- or less did not have any material impact on financial statements of the Company for the current year.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over their estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefit from the asset, the amortization method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Goodwill arising out of amalgamation is amortized over 5 years unless a longer period can be justified.

The management's estimates of the useful life of Software is 3 years.

f) Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) Its intention to complete the asset;

(iii) Its ability to use or sell the asset;

(iv) How the asset will generate future economic benefits;

(v) The availability of adequate resources to complete the development and to use or sell the asset; and

(vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Any expenditure so capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value or present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance cost in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of the lease are capitalized.

A leased asset is depreciated on a straight line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight line basis over the shorter of the estimated useful life of the asset or lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

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Where the Company is the lessor

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the leased assets. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

Leases in which the Company does not transfer substantially all the risk and benefits of ownership of the assets, are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc are recognized immediately in the statement of profit and loss.

h) Borrowing cost

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible assets

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises the purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired by the issue of shares or other securities, the acquisition cost is the fair value of securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of the long term investments.

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On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

l) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods and rendering of services is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured.

The Company derives revenues primarily from:-

- Software services;
- IT Infrastructure services; and
- Business process outsourcing services.

i) Software services

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

ii) IT Infrastructure services

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

Unearned revenue arising in respect of bandwidth services and maintenance services is calculated on the basis of the unutilized period of service at the balance sheet date and represents revenue which is expected to be earned in future periods in respect of these services.

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) Business process outsourcing services

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company gives volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Revenue from finance leases is recognized when risk of loss is transferred to the customer and there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Interest attributable to finance leases is recognized on the accrual basis using the effective interest method.

(iv) Others

Interest on the deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction. Brokerage, commission and rent are recognized once the same are earned and accrued to the Company and dividend income is recognized when the right to receive the dividend is established.

m) Foreign currency translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

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(iv) Hedging

(a) Cash flow hedging

The Company uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Company's policies, which provide written principles on the use of such financial derivatives, consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

(b) Hedging of monetary assets and liabilities

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

(v) Translation of integral and non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; and income and expense items of the non-integral foreign operation are translated at weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

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n) Retirement and other employee benefits

i. Contributions to provident fund, a defined benefit plan, are deposited with Recognized Provident Fund Trusts, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The minimum interest rate payable by the Trust to the beneficiaries every year is notified by the Government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.

iii. Gratuity liability: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to maximum of ₹ 10 Lacs per employee). The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

iv. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

vi. State Plans : The Company's contribution to State Plans , a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss.

o) Taxation

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets, against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

At each balance sheet date the Company re-assesses recognized and unrecognized deferred tax assets. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which the deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. The Company recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The Company is subject to Minimum Alternative Tax (MAT) on its book profit, which gives rise to future economic benefit in the form of adjustment of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT Credit becomes eligible to be recognized as an asset in accordance with the guiding professional pronouncements, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes - down the carrying amount of the MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

p) Employee stock compensation cost

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as applicable) and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

q) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

r) Provisions

A provision is recognized when there exists a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimates required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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(All amounts in crores of ₹, except share data and as stated otherwise)

s) Contingent liabilities

A contingent liability is a possible obligation that may arise from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably; the Company does not recognize a contingent liability but discloses its existence in the financial statements. .

t) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term deposits with banks with an original maturity of three months or less.

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

2. Notes on accounts

2.1 Share Capital

	As at 30 June	
	2015	2014
Authorized		
1,500,000,000 (Previous year 750,000,000) equity shares of ₹ 2 each	300.00	150.00
Issued, subscribed and fully paid up		
1,405,978,418 (Previous year 699,976,381) equity shares ₹ 2 each	281.20	140.00

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 30 June			
	2015		2014	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	699,976,381	140.00	696,869,857	139.37
Add: Shares issued on exercise of employee stock options	3,154,076	0.63	3,106,524	0.63
Add: Bonus shares issued	702,847,961	140.57	-	-
Number of shares at the end	1,405,978,418	281.20	699,976,381	140.00

The Company does not have any holding/ ultimate holding company.

Details of shareholders holding more than 5 % shares in the company:-

Name of the shareholder	As at 30 June			
	2015		2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 2 each fully paid				
Vama Sundari Investments (Delhi) Private Limited	600,097,024	42.68%	300,048,512	42.87%
HCL Holdings Private Limited	239,097,816	17.01%	119,548,908	17.08%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at 30 June	
	2015	2014
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	10,125 Equity shares	10,125 Equity shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	702,847,961 Equity Shares	Nil
Aggregate number and class of shares bought back	Nil	Nil

During the year pursuant to approval of the shareholders through postal ballot on 10 March 2015, a sum of Rs. 140.57 crores was capitalized from securities premium account for issuance of 702,847,961 bonus shares of Rs. 2/- each fully paid-up and these bonus shares were allotted by the Company on 21 March 2015. The said bonus shares were issued in the proportion of 1 equity share for every 1 equity share of Rs. 2/- each held by the equity shareholders of the Company on the record date of 20 March 2015.

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

Employee Stock Option Plan (ESOP)

The Company has provided various share-based payment schemes to its employees. During the year ended 30 June 2015, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Maximum number of options under the plan	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service period/ Group performance

During the year ended 30 June 2014, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Maximum number of options under the plan	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service period/ Group performance

Each option granted under the above plans entitles the holder to eight equity shares (four equity shares prior to 1:1 bonus issue) of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plan have been summarized below:-

ESOP 1999	Year ended 30 June			
	2015		2014	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	125,823	722.45	324,422	666.37
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(101,849)	641.68	(184,025)	638.94
Expired during the year	(23,974)	645.51	(14,574)	645.34
Options outstanding at the end of the year	-	-	125,823	722.45
Options exercisable at the end of the year	-		125,823	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 6,419.36 (Previous year ₹ 4,635.01)

ESOP 2000	Year ended 30 June			
	2015		2014	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	210,241	642.84	583,255	641.16
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	(167,144)	636.82	(301,986)	637.05
Expired during the year	(43,097)	665.07	(71,028)	653.61
Options outstanding at the end of the year	-	-	210,241	642.84
Options exercisable at the end of the year	-		210,241	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 6,430.37 (Previous year ₹ 4,645.11)

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

ESOP 2004	Year ended 30 June			
	2015		2014	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,728,849	11.69	2,238,201	14.48
Add: Granted during the year	-	-	8,000	8.00
Less: Forfeited during the year	(204,366)	13.11	(225,132)	8.00
Exercised during the year	(484,214)	18.71	(290,620)	28.69
Expired during the year	(12,990)	122.48	(1,600)	1,329.66
Options outstanding at the end of the year *	**1,027,279**	**16.00**	**1,728,849**	**11.69**
Options exercisable at the end of the year	**200,397**		**274,481**	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 6,694.63 (Previous year ₹ 4,998.73)

* Total number of outstanding options includes 837,785 as on 30 June 2015 (1,252,638 as on 30 June 2014) performance based options. These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 30 June 2015 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan -1999	₹ 240 - ₹ 750	-	-	-
Employee Stock Option Plan -2000	₹ 260 - ₹ 470	-	-	-
	₹ 483 - ₹ 823	-	-	-
Employee Stock Option Plan -2004	₹ 16	1,027,279	3.93	16.00
	₹ 642 - ₹ 741	-	-	-

The details of exercise price for stock options outstanding at the end of the year 30 June 2014 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan -1999	₹ 240 - ₹ 750	125,823	-	722.45
Employee Stock Option Plan -2000	₹ 260 - ₹ 470	-	-	-
	₹ 483 - ₹ 823	210,241	-	642.84
Employee Stock Option Plan -2004	₹ 8	1,719,386	4.80	8.00
	₹ 642 - ₹ 741	9,463	-	682.38

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There are no options granted during the current year and the weighted average fair value of stock options granted during the previous year was ₹ 3,304.31. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Year ended 30 June	
	2015	2014
Weighted average share price	-	396.18
Exercise Price	-	₹ 2.00
Expected Volatility	-	30.80%
Historical Volatility	-	30.80%
Life of the options granted (vesting and exercise period) in years	-	3.15 - 3.21 Years
Expected dividends	-	₹ 8.00
Average risk-free interest rate	-	7.80%
Expected dividend rate	-	2.02%

The expected volatility was determined based on historical volatility data.

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The amount is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share is provided below:

	Year ended 30 June	
	2015	2014
Net income- As reported	**6,345.95**	**5,984.62**
Add: Employee stock compensation under intrinsic value method	(15.39)	30.92
Less: Employee stock compensation under fair value method	(7.71)	39.12
Net income - Proforma	**6,338.27**	**5,976.42**
Earnings per share (₹) refer note 2.32		
Basic - As reported	45.17	42.83
- Proforma	45.12	42.77
Diluted - As reported	44.91	42.26
- Proforma	44.86	42.20

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2.2 Reserves and Surplus

	As at 30 June	
	2015	2014
Securities premium account		
Balance as per last financial statements	1,933.97	1,863.83
Add: exercise of stock option by employees	87.81	70.14
Less: amount utilized for issuance of fully paid up bonus shares (refer note 2.1)	(140.57)	-
	1,881.21	**1,933.97**
Debenture redemption reserve		
Balance as per last financial statements	500.00	400.00
Add: amount transferred from surplus in the statement of profit and loss	-	100.00
Less: amount transferred to statement of profit and loss on redemption of debentures	(500.00)	-
	-	**500.00**
Share options outstanding		
Balance as per last financial statements	206.92	278.42
Add: options granted during the year	-	2.89
Less: transferred to securities premium on exercise of stock options	(85.74)	(74.39)
	121.18	**206.92**
Hedging reserve account (net of deferred tax) (refer note 2.31)		
Balance as per last financial statements	(210.28)	(488.52)
Add: movement during the year (net)	169.60	278.24
	(40.68)	**(210.28)**
Foreign currency translation reserve		
Balance as per last financial statements	(1.82)	(2.73)
Add: exchange difference during the year on net investment in non-integral operations	(33.27)	0.91
	(35.09)	**(1.82)**
General reserve		
Balance as per last financial statements	1,989.20	1,389.20
Add: amount transferred from surplus in the statement of profit and loss	650.00	600.00
	2,639.20	**1,989.20**
Capital reserve		
Balance as per last financial statements	119.54	119.54
Add: movement during the year	-	-
	119.54	**119.54**
Surplus in the statement of profit and loss		
Balance as per last financial statements	11,068.08	6,597.12
Add: profit for the year	6,345.95	5,984.62
Add: amount transferred from debenture redemption reserve on redemption of debentures	500.00	-
Amount available for appropriation	**17,914.03**	**12,581.74**
Less: appropriations		
Interim dividend [amount per share ₹ 30 (Previous year ₹ 10)]*	2,385.59	699.10
Proposed final dividend [including ₹ Nil crores (previous year ₹ 1.17 crores) paid for previous year] [amount per share ₹ Nil (Previous year ₹ Nil)]	-	1.17
Total dividend	**2,385.59**	**700.27**
Corporate dividend tax [including ₹ Nil crores (previous year ₹ 0.20 crores) paid for previous year]	439.27	113.39
Transfer to general reserve	650.00	600.00
Transfer to debenture redemption reserve	-	100.00
Net surplus in the statement of profit and loss	**14,439.17**	**11,068.08**
	19,124.53	**15,605.61**

* not adjusted for bonus issue

2.3 Share application money pending allotment

	2015	2014
- number of shares proposed to be issued (adjusted for bonus shares issued)	84,680	1,197,896
- the amount of premium	-	7.53
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

Note- The Company expects to make the allotment during the quarter ended 30 September 2015.

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2.4 Long term borrowings

	Non-current portion		Current maturities	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Secured				
Debentures				
8.80% Secured redeemable non convertible debentures of ₹ 10 lacs each (repaid on 10 September 2014)	-	-	-	500.00
From banks				
Long term loans (refer note 1 below)	27.22	27.45	13.41	11.56
From others				
Finance lease obligations (refer note Note 2.26(i))	-	-	-	0.33
	27.22	**27.45**	**13.41**	**511.89**
Amount disclosed under the head "other current liabilities" (note 2.8)	-	-	(13.41)	(511.89)
	27.22	27.45	-	-

Note:-

1. The Company has availed of a term loans of ₹ 40.63 (Previous year ₹ 39.01 crores) secured by hypothecation of gross block of vehicles of ₹ 89.20 crores (Previous year ₹ 76.02 crores) at interest rates ranging from 10.2% to 10.5%. The loans are repayable over a period of 3 to 5 years on a monthly basis.

2.5 Other long term liabilities

	As at 30 June	
	2015	2014
Income received in advance	135.55	193.33
Income received in advance- related parties (refer note 2.28)	93.38	178.61
Liability for expenses	16.27	15.29
Unrealized loss on forward covers	37.74	128.20
	282.94	**515.43**

2.6 Long term provisions

	As at 30 June	
	2015	2014
Provision for employee benefits	198.77	175.28
	198.77	**175.28**

2.7 Short term borrowings

	As at 30 June	
	2015	2014
Unsecured		
Bank overdraft	-	29.25
	-	29.25

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2.8 Trade payable and other current liabilities

	As at 30 June	
	2015	2014
Trade payables (refer note 2.33 for details of dues to micro and small enterprises)	180.94	117.46
Trade payables-related parties (refer note 2.28)	287.64	275.01
	468.58	**392.47**
Other current liabilities		
Current maturities of long term loans	13.41	511.89
Interest accrued but not due on borrowings	-	2.53
Unclaimed dividends	2.99	2.51
Advances received from customers	28.09	16.86
Advances received from customers- related parties (refer note 2.28)	2.41	-
Capital accounts payables [includes supplier credit ₹ 423.49 crores (previous year ₹ 601.49 crores)]	670.67	748.45
Capital accounts payables-related parties [includes supplier credit ₹ 4.38 crores (previous year ₹ 28.24 crores)] (refer note 2.28)	6.87	32.25
Unrealized loss on forward cover	15.20	137.57
Income received in advance	298.47	200.26
Income received in advance-related parties (refer note 2.28)	257.06	330.12
Accrued salaries and benefits		
Employee bonuses accrued	391.39	348.00
Other employee costs	181.10	200.10
Other liabilities		
Liabilities for expenses	771.82	722.31
Liabilities for expenses-related parties (refer note 2.28)	493.94	227.71
Supplier credit	396.11	309.62
Supplier credit -related parties (refer note 2.28)	9.54	10.53
Withholding and other taxes payable	104.60	97.45
Advance against sale of building - related parties (refer note 2.28)	-	108.00
	3,643.67	**4,006.16**

2.9 Short term provisions

	As at 30 June	
	2015	2014
Provision for employee benefits	208.77	186.91
Income taxes (refer note 1 below)	677.58	726.88
Wealth tax (refer note 2 below)	1.78	1.41
	888.13	**915.20**

Notes:

1. Net of advance income tax of ₹ 5,289.51 crores (Previous year ₹ 3,590.29 crores).
2. Net of advance wealth tax of ₹ 7.95 crores (Previous year ₹ 6.60 crores).

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Note 2.10 Fixed Assets (refer note 1(c), (d), (e))

The changes in the carrying value of fixed assets for the year ended 30 June 2015

	Gross block					Accumulated depreciation / amortization					Net block	
	As at 1 July 2014	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2015	As at 1 July 2014	Charge for the year	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2015	As at 30 June 2015	As at 30 June 2014
Tangible Assets												
Freehold land	80.89	-	0.27	-	80.62	-	-	-	-	-	80.62	80.89
Leasehold land	159.29	119.57	6.18	-	272.68	13.10	2.68	1.15	-	14.63	258.05	146.19
Buildings	1,689.46	361.54	23.30	-	2,027.70	233.74	90.37	14.96	-	309.15	1,718.55	1,455.72
Plant and machinery	878.41	182.41	7.67	(0.27)	1,052.88	524.99	53.58	7.55	(0.11)	570.91	481.97	353.42
Office Equipment	175.88	20.68	5.03	(0.07)	191.46	141.35	12.83	4.98	(0.06)	149.14	42.32	34.53
Computers	903.37	148.98	12.89	(0.79)	1,038.67	714.04	70.64	12.88	(0.47)	771.33	267.34	189.33
Furniture and fittings	470.80	50.64	24.63	(0.52)	496.29	377.17	20.15	24.60	(0.32)	372.40	123.89	93.63
Vehicles - owned	82.94	23.75	11.96	-	94.73	34.77	17.06	7.32	-	44.51	50.22	48.17
- leased	4.25	-	1.50	-	2.75	1.83	0.04	1.14	-	0.73	2.02	2.42
Total (A)	4,445.29	907.57	93.43	(1.65)	5,257.78	2,040.99	267.35	74.58	(0.96)	2,232.80	3,024.98	2,404.30
Intangible Assets												
Goodwill	1.98	-	-	-	1.98	1.98	-	-	-	1.98	-	-
Software	473.79	28.22	74.19	(0.86)	426.96	429.52	32.57	73.97	(0.41)	387.71	39.25	44.27
Total (B)	475.77	28.22	74.19	(0.86)	428.94	431.50	32.57	73.97	(0.41)	389.69	39.25	44.27
Total (A)+(B)	4,921.06	935.79	167.62	(2.51)	5,686.72	2,472.49	299.92	148.55	(1.37)	2,622.49	3,064.23	2,448.57

Note:-

1. Capital work in progress includes ₹ 37.52 crores interest on negotiated extended interest bearing suppliers credit and during the period ₹ 25.51 crores have been capitalised by the Company.

2. Based on technical evaluation, the Company reassessed and revised the useful lives of assets with effect from 01 July 2014.

The existing and revised useful lives are as below:

Category of Assets	Existing Useful Life (Years)	Revised Useful Life (Years)
Buildings	20	20
Plant and machinery (including air conditioners, electrical installations)	4-5	10
Office Equipments	4	5
Computers	3	4-5
Furniture and fixtures	4	7
Vehicles - owned	5	5

Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 30 June 2015 would have been higher by ₹ 189.65 crores for assets held at 01 July 2014.

The changes in the carrying value of fixed assets for the year ended 30 June 2014

	Gross block					Accumulated depreciation / amortization					Net block	
	As at 1 July 2013	Additions	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 1 July 2013	Charge for the year	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2014	As at 30 June 2014	As at 30 June 2013
Tangible Assets												
Freehold land	80.89	-	-	-	80.89	-	-	-	-	-	80.89	80.89
Leasehold land	163.92	0.02	4.65	-	159.29	12.13	1.80	0.83	-	13.10	146.19	151.79
Buildings	1,169.58	531.57	11.69	-	1,689.46	173.16	67.82	7.24	-	233.74	1,455.72	996.42
Plant and machinery	670.22	225.52	17.49	0.16	878.41	424.56	117.71	17.41	0.13	524.99	353.42	245.66
Office Equipment	203.19	12.66	40.01	0.04	175.88	161.78	19.43	39.91	0.05	141.35	34.53	41.41
Computers	874.14	117.41	88.45	0.27	903.37	635.13	167.08	88.28	0.11	714.04	189.33	239.01
Furniture and fittings	457.65	58.37	45.49	0.27	470.80	372.34	50.08	45.45	0.20	377.17	93.63	85.31
Vehicles - owned	73.46	17.85	8.37	-	82.94	22.69	15.95	3.87	-	34.77	48.17	50.77
- leased	13.77	-	9.52	-	4.25	8.08	1.18	7.43	-	1.83	2.42	5.69
Total (A)	3,706.82	963.40	225.67	0.74	4,445.29	1,809.87	441.05	210.42	0.49	2,040.99	2,404.30	1,896.95
Intangible Assets												
Goodwill	1.98	-	-	-	1.98	1.98	-	-	-	1.98	-	-
Software	437.08	36.48	-	0.23	473.79	379.85	49.65	-	0.02	429.52	44.27	57.23
Total (B)	439.06	36.48	-	0.23	475.77	381.83	49.65	-	0.02	431.50	44.27	57.23
Total (A)+(B)	4,145.88	999.88	225.67	0.97	4,921.06	2,191.70	490.70	210.42	0.51	2,472.49	2,448.57	1,954.18

Note:-

1. Capital work in progress includes ₹ 28.76 crores interest on negotiated extended interest bearing suppliers credit and during the period ₹ 17.59 crores have been capitalised by the Company.

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2.11 Investments

	As at 30 June 2015	As at 30 June 2014
Non-current investments - at cost		
In subsidiary companies, trade (unquoted), fully paid up		
Equity Instruments		
409,670,582 (Previous year 409,670,582) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,829.27	1,829.27
1,280 (Previous year 1,280) equity shares of ₹ 10,000 each, in HCL Comnet Systems & Services Limited	11.22	11.22
949,900 (Previous year 949,900) equity shares of ₹ 10 each, in HCL Comnet Limited	54.94	54.94
HCL Technologies (Shanghai) Limited (Issued & registered capital)	9.95	9.95
1,033,384 (Previous year 1,033,384) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25
30,000,000 (previous year 30,000,000) equity shares of Pound 1 each fully paid up, in HCL EAS Limited	224.80	224.80
1 (Previous year 1) equity shares of Euro 100 each, in HCL GmbH	0.11	0.11
92,000 (Previous year 92,000) equity shares of ₹ 10 each in HCL Eagle Limited	0.09	0.09
50,000 (Previous year Nil) equity shares of ₹ 10 each in HCL Foundation (refer note 1 below)	-	-
Preference shares		
261,500,000 (Previous year 275,000,000) Preference shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,364.60	1,424.09
Aggregate amount of non- current investments	3,500.23	3,559.72
Current investments		
(Non trade and quoted)		
Investment in bonds and certificate of deposits (refer note 2 (i) below)	-	212.04
(At lower of cost and fair value non trade and unquoted)		
Investment in mutual fund(refer note 2 (ii) below)	624.73	344.25
Aggregate amount of current investments	624.73	556.29

Notes:-

1 Cost of investment is stated ₹ Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of ₹ 5,00,000 has been charged in the statement of profit & loss in the current financial year.

2 The details of investments in mutual funds/ bonds are provided below:

i) Details of Investments in bonds and certificates of deposit - non trade and quoted

	Face Value	Balance as at 30 June 2015		Balance as at 30 June 2014	
Bonds					
Indian Railway Finance 6% 2015 (Series 68)	100,000	-	-	5,000	50.00
Certificate of deposits					
State Bank of Mysore	100,000	-	-	10,000	98.13
State Bank of Hyderabad	100,000	-	-	6,500	63.91
Total			-		212.04
Market value			-		212.08

ii) Details of Investments in mutual funds - non trade and unquoted

	Face Value	Balance as at 30 June 2015		Balance as at 30 June 2014	
		Units	Amount	Units	Amount
Growth Fund					
DSP BlackRock Liquidity Fund-IP	1,000	-	-	442,860	82.66
HDFC Liquid Fund	10	51,918,756	146.06	38,784,913	99.47
ICICI Prudential Institutional Liquid Plan -Super Institutional	100	5,921,353	123.93	1,238,777	23.92
UTI Liquid Fund-Cash Plan	1,000	486,126	112.82	282,876	60.37
TATA Liquid Fund Plan	1,000	442,364	115.59	44,577	10.64
Birla Sunlife - Cash Plus	100	175,498	4.00	-	-
SBI Premier Liquid Fund Super IP	1,000	546,129	122.33	328,604	67.20
Total			624.73		344.26

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2.12 Deferred tax assets (net)

	As at 30 June	
	2015	2014
Deferred tax assets:		
Accrued employee costs	108.19	95.24
Unrealized loss on derivative financial instruments	9.71	51.97
Depreciation and amortization	25.61	74.87
Others	86.47	90.70
Gross deferred tax assets (A)	**229.98**	**312.78**
Deferred tax liabilities:		
Others	12.10	0.99
Gross deferred tax liabilities (B)	**12.10**	**0.99**
Net deferred tax assets (A-B)	**217.88**	**311.79**

2.13 Long term loans and advances

	As at 30 June	
	2015	2014
Unsecured , considered good		
Capital advances	113.95	118.98
Capital advances-related parties (refer note 2.28)	-	0.02
Security deposits	136.57	119.20
Others		
MAT credit entitlement	769.68	459.26
Prepaid expenses	29.48	31.90
Finance lease receivables (refer note 2.26 (iii))	41.70	62.22
Loans and advances to employees (including related party,refer note 2.28)	15.01	0.07
	1,106.39	791.65

2.14 Other non- current assets

	As at 30 June	
	2015	2014
Unsecured considered good unless otherwise stated		
Deferred cost	219.83	132.61
Bank deposits more than 12 months (refer note 1 below)	0.01	0.01
Unrealized gain on derivative financial instruments	0.61	-
Others	87.65	45.13
	308.10	177.75

Note:-

1. Pledged with banks as security for guarantees ₹ 0.01 crores (Previous year ₹ 0.01 crores)

2.15 Inventories

	As at 30 June	
	2015	2014
Inventories		
Stock in trade [including in transit ₹ 23.19 crores (Previous year ₹ Nil)]	81.77	14.66
Stores and spares	1.88	0.88
	83.65	15.54

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(All amounts in crores of ₹, except share data and as stated otherwise)

2.16 Trade receivables (Unsecured)

	As at 30 June	
	2015	2014
(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	221.42	-
Unsecured considered doubtful	107.72	151.72
	329.14	**151.72**
Provision for doubtful receivables	(107.72)	(151.72)
Total (A)	**221.42**	-
(b) Other receivables		
Unsecured considered good	3,356.86	3,224.19
Unsecured considered doubtful	4.71	25.32
	3,361.57	**3,249.51**
Provision for doubtful receivables	(4.71)	(25.32)
Total (B)	**3,356.86**	**3,224.19**
Total (A)+(B) (refer note 1 below)	**3,578.28**	**3,224.19**

Note:-

1. Includes receivables from related parties amounting to ₹ 2,051.68 crores (Previous year ₹ 1,760.03 crores)

2.17 Cash and bank balances

	As at 30 June	
	2015	2014
(a) Cash and cash equivalent		
Balance with banks		
- in current accounts	269.61	131.87
Cheques in hand	50.03	33.00
Remittances in transit	110.10	73.35
Unclaimed dividend account	2.99	2.51
	432.73	**240.73**
(b) Other bank balances		
Deposits with original maturity of more than 3 months but up to 12 months	8,396.68	7,670.35
	8,829.41	**7,911.08**

2.18 Short- term loans and advances

	As at 30 June	
	2015	2014
Unsecured , considered good ;		
Loans and advances to related parties	56.46	49.07
Others		
Security deposits	34.85	53.22
Inter corporate deposits with HDFC Limited	1,193.00	564.00
Advances to suppliers	13.18	13.20
Prepaid expenses	124.61	98.95
Prepaid expenses - related parties	1.86	-
Loans and advances to employees	41.36	19.76
Finance lease receivables (refer note 2.26 (iii))	21.45	24.95
Payment for investment in mutual fund - units alloted on 01 July, 2014	-	55.00
Service tax receivable	66.06	46.32
Other loans and advances	104.87	59.85
	1,657.70	**984.32**
Unsecured, considered doubtful		
Loans and advances to employees	42.62	43.73
Loans and advances to others	2.84	3.86
	45.46	**47.59**
Less: Provision for doubtful advances	(45.46)	(47.59)
	1,657.70	**984.32**

2.19 Other current assets

	As at 30 June	
	2015	2014
Unbilled revenue	545.29	541.26
Unbilled revenue-related parties (refer note 2.28)	586.91	555.50
Deferred cost	149.98	98.47
Deferred cost-related parties (refer note 2.28)	2.01	5.71
Interest receivable	99.46	113.83
Unrealized gain on derivative financial instruments	16.86	0.33
	1,400.51	**1,315.10**

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

2.20 Revenue from operations

	Year ended	
	30 June 2015	**30 June 2014**
Sale of services	16,838.68	16,015.24
Sale of hardware and software (refer note 2.36)	314.76	482.13
	17,153.44	**16,497.37**

2.21 Other income

	Year ended	
	30 June 2015	**30 June 2014**
Interest income		
- On fixed deposits	790.14	528.46
- On investment	2.05	4.70
- Others	3.76	-
Profit on sale of current investments	33.76	50.42
Dividends from subsidiary companies	78.24	24.68
Profit on sale of fixed assets (refer note 1 below)	97.06	47.97
Exchange differences (net)	124.76	-
Employee stock compensation expense written back (net)	15.39	-
Provisions no longer required written back (net)	33.38	-
Miscellaneous income	20.96	2.89
	1,199.50	**659.12**

Note

1. Net of loss on sale of fixed assets ₹ 0.40 crores (Previous year ₹ 0.39 crores)

2.22 Changes in inventories of traded goods

	Year ended	
	30 June 2015	**30 June 2014**
Opening stock	15.54	80.29
Closing stock	(81.77)	(15.54)
	(66.23)	**64.75**

2.23 Employee benefits expense

	Year ended	
	30 June 2015	**30 June 2014**
Salaries, wages and bonus	5,668.76	4,861.20
Contribution to provident fund and other funds	212.59	193.59
Staff welfare expenses	43.27	38.24
Employee stock compensation expense	-	30.92
	5,924.62	**5,123.95**

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

2.24 Finance cost

	Year ended	
	30 June 2015	**30 June 2014**
Interest		
-on debentures	8.56	44.02
-on loans from banks	7.55	4.48
-on leased assets	0.01	0.32
-others	37.03	23.85
Bank charges	7.49	8.98
	60.64	**81.65**

2.25 Other expenses

	Year ended	
	30 June 2015	**30 June 2014**
Rent	211.99	206.87
Power and fuel	218.96	205.15
Insurance	11.07	8.27
Repairs and maintenance		
- Plant and machinery	45.64	55.86
- Buildings	41.60	60.59
- Others	132.50	94.42
Communication costs	113.37	117.96
Books and periodicals	7.10	16.32
Travel and conveyance	796.92	699.70
Business promotion	36.34	30.87
Legal and professional charges (refer note 2.38)	62.16	98.67
Outsourcing costs	1,966.16	1,619.45
Software license fee	172.36	156.92
Printing and stationery	9.56	12.37
Rates and taxes	59.45	72.24
Provision for doubtful advances / advances written off	9.30	0.14
Donations	-	1.25
CSR expenditure (refer note 2.35)	6.22	-
Recruitment, training and development	96.89	76.49
Provision for doubtful debts/ bad debts written off	-	53.13
Exchange differences (net)	-	11.79
Miscellaneous expenses	74.10	53.95
	4,071.69	**3,652.41**

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2.26 Leases

i) Finance leases : in case of assets taken on lease

The Company has acquired vehicles on finance leases. Total minimum lease payments and the maturity profile of finance leases at the balance sheet date, the element of interest included in such payments, and the present value of the minimum lease payments are as follows:

	Total minimum lease payments outstanding as on 30 June 2015	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	-	-	-
	(0.34)	(0.01)	(0.33)
Later than one year and not later than 5 years	-	-	-
	(-)	(-)	(-)
	-	-	-
	(0.34)	(0.01)	(0.33)

Previous year figures are in brackets.

ii) Operating leases

The Company leases office space and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year is ₹ 211.99 crores (Previous year ₹ 206.87 crores). The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹ 115.20 crores (previous year ₹ 102.92 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended 30 June	
	2015	2014
Not later than one year	184.75	158.84
Later than one year but not later than five years	592.35	505.91
Later than five years	578.94	604.38
	1,356.04	**1,269.13**

(All amounts in crores of ₹, except share data and as stated otherwise)

iii) Finance leases : in case of assets given on lease

The Company has given networking equipments to its customers on finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments outstanding as on 30 June 2015	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	28.71	7.23	21.48
	(29.65)	(4.71)	(24.94)
Later than one year and not later than 5 years	42.92	1.25	41.67
	(73.97)	(11.74)	(62.23)
	71.63	8.48	63.15
	(103.62)	(16.45)	(87.17)

Previous year figures are in brackets.

2.27 Segment Reporting

Identification of segments

The Company's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services.

(i) Business segments

The operations of the Company predominately relate to providing a range of IT and Business Process Outsourcing (BPO) services targeted at Global 2000 companies spread across USA, Europe and the Rest of the World. IT Services include software services and IT infrastructure management services. Within software services, the Company provides application development and maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and research and development services to several global customers. IT Infrastructure management services involve managing customers' IT assets effectively. The Company's 'Enterprise of the Future' (EOF) framework helps customers not just run IT effectively but also migrate to next generation IT. EOF involves services around cloud, next generation data centres, business productivity services, integrated service management layer and an integrated application development & operations services. Business process outsourcing services include the traditional contact centre and help desk services and next generation services around platform BPO and BPAAS (Business Process As A Service) delivered through a strong global delivery model. The Company's trademarked EFAAS (Enterprise Function As A Service) helps customers reduce business cost rather than just the process cost as was the case in traditional BPO.

The Chairman of the Company, who is the Chief Strategy Officer, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Company and geographic segmentation of customers.

Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

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(ii) Geographic segments

Segment revenue from customers by geographical areas is stated based on the geographical location of the customer and segment assets by the geographical location of the assets.

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Company in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Company within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

(iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include, premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, and finance cost.

b) Segment assets and liabilities

Assets and liabilities are not identified to any reportable segments, since these are increasingly used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to total assets and liabilities.

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Notes to financial statements for the year ended 30 June 2015
(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2015 is as follows:

	Software services	Business process outsourcing services	IT infrastructure services	Total
Segment Revenues	10,456.80	1,003.55	5,693.09	17,153.44
Segment results	4,122.55	144.68	2,311.73	6,578.96
Unallocated corporate expenses				(19.28)
Finance cost				(60.64)
Other income				403.55
Interest income				795.95
Net profit before taxes				**7,698.54**
Tax expense				1,352.59
Profit for the year				**6,345.95**
Significant non-cash adjustments				
Depreciation	192.38	25.80	78.72	296.90
Unallocated corporate depreciation				3.02
Total				**299.92**
Provision for doubtful debts & advances / Bad debts & advances written off				(24.08)

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HCL Technologies Limited
Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

Financial information about the business segments for the year ended 30 June 2014 is as follows:

	Software services	Business process outsourcing services	IT infrastructure services	Total
Segment Revenues	10,142.92	876.35	5,478.10	16,497.37
Segment results	4,438.77	203.58	2,224.26	6,866.61
Unallocated corporate expenses				(46.42)
Finance cost				(81.65)
Other income				125.96
Interest income				533.16
Net profit before taxes				**7,397.66**
Tax Expense				1,413.04
Profit for the year				**5,984.62**
Significant non-cash adjustments				
Depreciation	315.32	35.41	136.60	487.33
Unallocated corporate depreciation				3.37
Total				**490.70**
Provision for doubtful debts & advances / Bad debts & advances written off				53.27

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(All amounts in crores of ₹, except share data and as stated otherwise)

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended 30 June 2015	Year ended 30 June 2014
America	9,437.26	9,098.85
Europe	5,007.72	4,902.77
India	939.85	935.79
Others	1,768.61	1,559.96
	17,153.44	**16,497.37**

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	30 June 2015	**30 June 2014**
America	1,983.49	1,530.65
Europe	1,704.86	975.32
India	20,579.45	18,823.14
Others	647.26	485.39
	24,915.06	**21,814.50**

Total cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Addition to segment fixed assets	
	30 June 2015	**30 June 2014**
America	-	-
Europe	2.62	10.15
India	1,056.67	594.81
Others	-	0.10
	1,059.29	**605.06**

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Notes to financial statements for the year ended 30 June 2015
(All amounts in crores of ₹, except share data and as stated otherwise)

2.28 Related party transactions

a) Related parties where control exists

Direct subsidiaries	
HCL Comnet Limited	
HCL Comnet Systems & Services Limited	
HCL Singapore Pte. Limited	
HCL Bermuda Limited	
HCL Technologies (Shanghai) Limited	
HCL Eagle Limited	
HCL Foundation !	
Step down subsidiaries	
HCL Japan Limited	HCL Investment (UK) Limited
HCL Australia Services Pty. Limited	HCL America Solutions Inc.
HCL (New Zealand) Limited	HCL Technologies Austria GmbH
HCL Hong Kong SAR Limited	Axon Solutions (Shanghai) Co. Limited
Axon Solutions Pty. Limited	Bywater Limited*
HCL Axon (Pty) Limited	HCL Axon Technologies Inc.
HCL Technologies Philippines Inc.	Axon Solutions Inc.
HCL Technologies South Africa (Proprietary) Limited	HCL Argentina s.a.
HCL Technologies Solutions Limited.	PT. HCL Technologies Indonesia Limited
HCL Belgium NV	HCL Poland sp. z o.o
HCL Italy SLR	HCL GmbH
HCL Technologies Romania s.r.l.	HCL (Malaysia) Sdn. Bhd.
HCL Hungary Kft	Axon Solutions Singapore Pte. Limited
HCL Sweden AB	HCL Axon Malaysia Sdn. Bhd.
Filial Espanola De HCL Technologies S.L.	HCL Mexico S. de R.L.
HCL Great Britain Limited	HCL Technologies Chile Spa
HCL (Netherlands) BV	HCL Technologies UK Limited
HCL Technologies Solutions Gmbh	HCL Technologies B.V
HCL EAS Limited	HCL Technologies Germany Gmbh
Axon Group Limited	HCL Technologies Belgium N.V.
Axon Solutions Limited	HCL Technologies Sweden AB
HCL BPO Services (NI) Limited	HCL Technologies Finland Oy
HCL Insurance BPO Services Limited	HCL (Ireland) Information Systems Limited
HCL Technologies Norway AS	HCL Technologies Italy SPA #
HCL Technologies Denmark Apps	HCL Technologies Colombia SAS ##
HCL Expense Management Services Inc.	HCL Technologies Middle East FZ- LLC%
HCL America Inc.	HCL İstanbul Bilişim Teknolojileri Limited Şirketi%%
HCL Latin America Holding LLC	HCL Technologies Greece Single Member P.C.%%
HCL (Brazil) Technologia da informacao Ltda.	HCL Technologies S.A.%%%

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(All amounts in crores of ₹, except share data and as stated otherwise)

Step down subsidiaries (Cont…)	
HCL Global Processing Services Limited	HCL Technologies Beijing Co., Ltd^
HCL Arabia LLC	HCL Technologies Luxembourg S.a.r.l^^
Anzospan Investments (PTY) Limited	HCL-Ten Ventures LLC ^^^
HCL Technologies France	HCL Technologies Egypt Ltd $
HCL Technologies (Thailand) Limited$$$	HCL Technologies Estonia OU $$

! incorporated on 30 December 2014
incorporated on 30 July 2014
incorporated on 06 August 2014
% incorporated on 19 August 2014
%% incorporated on 30 September 2014
%%% incorporated on 20 November 2014
* Dissolved on 13 January 2015

^ incorporated on 06 February 2015
^^ incorporated on 12 February 2015
^^^ incorporated on 09 March 2015
$ incorporated on 22 March 2015
$$ incorporated on 08 June 2015
$$$ incorporated on 10 June 2015

Employee benefit trusts
HCL Technologies Limited Employees Trust
Axon Group Plc Employee Benefit Trust No. 3
Axon Group Plc Employee Benefit Trust No. 4
HCL South Africa Share Ownership Trust

b) Related parties with whom transactions have taken place during the year

Direct subsidiaries	
HCL Comnet Systems and Services Limited	
HCL Comnet Limited	
HCL Technologies (Shanghai) Limited	
HCL Eagle Limited	
HCL Singapore Pte. Limited, Singapore	
HCL Bermuda Limited	
Step down subsidiaries	
HCL (Brazil) Tecnologia da informacao Ltda.	HCL Technologies Philippines Inc
Axon Solutions Limited	Filial Espanola De HCL Technologies S.L..
HCL Technologies Chile SpA	HCL Technologies France
Axon Solutions Inc	HCL Technologies Austria GmbH
HCL Axon Technologies Inc.	HCL Poland Sp.z.o.o.
Axon Solutions (Shanghai) Co., Ltd.	HCL Technologies Denmark AppS
HCL AXON Malayia Sdn. Bhd.	HCL Technologies Norway AS
HCL Argentina s.a	HCL America Inc.
HCL Mexico S. de R.L.	HCL Great Britain Limited
HCL Technologies Romania s.r.l.	HCL Sweden AB
HCL Technologies UK Limited	HCL(Netherlands) B.V.
HCL Technologies Italy S.p.A.	HCL GmbH
HCL (Ireland) Information Systems Limited	HCL Italy SLR
HCL Technologies Belgium N.V.	HCL Belgium NV

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(All amounts in crores of ₹, except share data and as stated otherwise)

Step down subsidiaries (Cont...)	
HCL Technologies Germany GmbH	HCL Axon (Pty) Limited
HCL Technologies Sweden AB	Axon Solutions (Pty) Limited
HCL Technologies Finland Oy	HCL Hungry Kft
HCL Australia Services Pty. Limited	HCL İstanbul Bilişim Teknolojileri Limited Şirketi
HCL (New Zealand) Limited	HCL Technologies Greece Single Member P.C.
HCL Arabia LLC	HCL Technologies Middle East FZ- LLC
HCL Hong Kong SAR Limited	PT. HCL Technologies Indonesia Limited
HCL Japan Limited	HCL Technologies South Africa (Proprietary) Limited
HCL America Solutions Inc.	HCL Technologies Solution Limited

Significant influence	
HCL Infosystems Limited.	Vama Sundari Investments (Chennai) Private Limited
HCL Infotech Limited	HCL Talent Care Pvt. Ltd.(formerly known as Slocum Management Consultancy Private Limited)
Shiv Nadar Foundation	Naksha Enterprises Private Limited
State Street HCL Services (Phillipines) INC.	Redington (India) Limited*
Statestreet HCL Services (India) Private Limited	Cadensworth (India) Limited, India*
Digilife Distribution and Marketing Services Ltd.	Ensure Support Services (India) Limited*
HCL Insys Pte Ltd., Singapore	Redington Distribution Pte Ltd, Singapore*
HCL Corporation Private Limited	Easy Access Financial Services Limited *
HCL Learning Limited	Indian school of business#
HCL Services Limited	Vama Sundari Investments (Delhi) Private Limited
SSN Investments (Pondi) Private Limited	HCL Holding Private Limited
SSN Trust	

*Ceased to be related party w.e.f. 10 November 2014.

#Ceased to be related party w.e.f. 30 August 2014.

c) **Key Management Personnel**

Mr. Shiv Nadar	Chairman and Chief Strategy Officer
Mr. Anant Gupta	Chief Executive Officer
Mr. Anil Chanana	Chief Financial Officer
Mr. Manish Anand	Company Secretary

d) **Directors**

Mr. Robin Ann Abrams	Non-Executive & Independent Director
Mr. Amal Ganguli	Non-Executive & Independent Director
Mr. Ramanathan Srinivasan	Non-Executive & Independent Director
Mr. Sudhindar Krishan Khanna	Non-Executive & Non-Independent Director
Dr. Sosale Shankara Sastry	Non-Executive & Independent Director
Mr. Srikant Madhav Datar*	Non-Executive & Independent Director
Mr. Subramanian Madhavan	Non-Executive & Independent Director
Mr. Keki Mistry	Non-Executive & Independent Director
Ms. Roshni Nadar Malhotra	Non-Executive & Non-Independent Director

*Ceased to be Director w.e.f. 04 December 2014

HCL Technologies LTD.

HCL Technologies Limited
Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year

	Revenues		Other expenses#		Corporate guarantee fees		Other Income(Gain on sale of building)		Dividend Paid	
	Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Subsidiaries										
-HCL America Inc.	5,959.14	6,293.01	692.42	593.69	2.92	7.50	-	-	-	-
-HCL Great Britain Limited	975.63	1,184.44	249.42	197.50	0.15	0.42	-	-	-	-
-HCL Australia Services Pty. Limited	441.32	478.56	7.61	25.62	0.01	0.05	-	-	-	-
-HCL Comnet Limited	-	0.26	43.10	46.00	-	-	-	-	-	-
-HCL Sweden AB	351.26	289.75	28.28	22.00	-	-	-	-	-	-
-HCL Technologies UK Limited	247.33	3.91	3.30	-	-	-	-	-	-	-
-HCL Insurance BPO Services Limited	-	-	-	-	-	(15.41)	-	-	-	-
-Axon Solution Limited	65.56	66.22	125.06	44.49	-	-				
-Others	1,589.24	1,250.26	339.74	243.88	0.89	2.52	-	-	-	-
Total (A)	**9,629.48**	**9,566.41**	**1,488.93**	**1,173.18**	**3.97**	**(4.93)**	**-**	**-**	**-**	**-**
Jointly controlled entities										
-Statestreet HCL Services (India) Pvt. Ltd.	14.80	8.74	-	-	-	-	-	-	-	-
-Others	4.28	-	-	-	-	-	-	-	-	-
Total (B)	**19.08**	**8.74**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	9.72	36.66	14.16	84.86	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	0.18	8.00	-	-	-	-	-	-
-HCL Infotech Limited	131.68	104.83	0.04	0.12	-	-	-	-	-	-
-Vama Sundari investments(Delhi) Pvt. Ltd.	-	-	-	-	-	-	-	-	1,020.16	304.95
-HCL Services Limited	-	-	12.84	4.59	-	-	-	-	-	-
-HCL Holding Private Limited	-	-	-	-	-	-	-	-	406.47	119.55
-Vama Sundari investments(Pondi) Pvt. Ltd.	-	-	-	-	-	-	-	46.66	-	-
-SSN Investment(Pondi) Private Limited.	-	-	-	-	-	-	94.61	-	-	-
-Shiv Nadar Foundation	-	-	-	-	-	-	-	-	14.56	4.48
-HCL Talent Care Private Limited	-	1.10	14.59	-	-	-	-	-	-	-
-Others	1.17	-	12.64	0.32	-	-	-	-	-	-
Total (C)	**142.57**	**142.59**	**54.45**	**97.89**	**-**	**-**	**94.61**	**46.66**	**1,441.19**	**428.98**
Total (A+B+C)	**9,791.13**	**9,717.74**	**1,543.38**	**1,271.07**	**3.97**	**(4.93)**	**94.61**	**46.66**	**1,441.19**	**428.98**

#other expenses include outsourcing cost, rent expense and software license fees.

HCL Technologies LTD.

(All amounts in crores of ₹, except share data and as stated otherwise)

d) Transactions with related parties during the year (continued)

	Repayment of loans given to subsidiaries		Repayment of loans taken from subsidiaries		Investments		Payment for use of facilities		Receipt for use of facilities		Dividend income		Purchase of capital equipments	
	Year ended 30 June		Year ended 30 June		Year ended		Year ended 30 June		Year ended 30 June		Year ended 30 June		Year ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Subsidiaries														
-HCL Comnet Limited	-	414.00	-	82.00	-	-	0.22	1.20	0.06	0.33	-	-	-	0.08
-HCL Eagle Limited	-	-	-	-	-	-	-	-	3.06	2.97	-	-	-	-
-HCL Bermuda Limited	-	-	-	-	(59.49)	-	-	-	-	-	-	-	-	-
-HCL Singapore Pte Limited	-	-	-	-	-	-	-	-	-	-	78.24	24.68	-	-
Total (A)	-	414.00	-	82.00	(59.49)	-	0.22	1.20	3.12	3.30	78.24	24.68	-	0.08
Significant influence														
-HCL Infosystems Limited	-	-	-	-	-	-	3.31	1.64	-	-	-	-	3.07	27.11
-SSN Investment (Pondi) Private Limited	-	-	-	-	-	-	10.72	-	-	-	-	-	-	-
-Easy Access Financial Services Limited	-	-	-	-	-	-	1.64	-	-	-	-	-	-	-
-Redington Distribution Pte. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	18.31	-
-HCL Insys Pte Limited	-	-	-	-	-	-	-	-	-	-	-	-	0.43	9.52
-others	-	-	-	-	-	-	1.37	0.79	-	-	-	-	2.52	0.47
Total (B)	-	-	-	-	-	-	17.04	2.43	-	-	-	-	24.33	37.10
Total (A+B)	-	414.00	-	82.00	(59.49)	-	17.26	3.63	3.12	3.30	78.24	24.68	24.33	37.18

HCL Technologies LTD.

(All amounts in crores of ₹, except share data and as stated otherwise)

Transactions with Key Managerial personnel during the year

	Year ended 30 June	
	2015	2014
Chairman and Chief Strategy Officer		
i) Remuneration	12.15	12.07
Vice- Chairman and Joint Managing Director*(Upto 31 July 2013)*		
i) Remuneration	-	1.47
Chief Executive Officer		
i) Remuneration	28.66	4.22
ii) Loan provided	15.00	-
iii) Loan outstanding at the end of the year	15.00	-
iv) Interest received by the Company on loan provided	0.72	-
v) Dividend paid	0.24	0.10
vi) Stock options		
- Exercised – No's (options)	-	6,400
- Exercise price – ₹	-	8
Chief Financial Officer		
i) Remuneration	8.14	3.05
ii) Dividend paid	0.21	0.09
iii) Stock options		
- Exercised – No's (options)	3,360	1,120
- Exercise price – ₹	8	8
Company Secretary		
i) Remuneration	0.54	0.48
ii) Dividend paid	0.01	-
iii) Stock options		
- Exercised – No's (options)	960	-
- Exercise price – ₹	8	-

(All amounts in crores of ₹, except share data and as stated otherwise)

In addition to above Chairman and Chief strategy officer and Chief Financial Officer also receive remuneration from subsidiaries:

	Year ended 30 June	
	2015	**2014**
Chairman and Chief Strategy Officer		
i) Remuneration	4.48	4.71
Chief Financial Officer		
i) Remuneration	1.58	1.36

Transactions with Directors during the year

	Year ended 30 June	
	2015	**2014**
Commission & other benefits to Directors*	6.52	3.57

*Includes sitting fees

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(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties

	Trade receivables		Trade payables		Income received in advance		Capital accounts payables (includes supplier credit)	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
Subsidiaries								
-HCL America Inc.	851.76	1,036.83	126.42	160.06	137.55	166.57	-	-
-HCL Great Britain Limited	143.78	257.45	51.53	19.85	51.42	80.51	-	-
-HCL Singapore Pte. Limited	22.58	22.67	11.23	3.76	1.17	6.13	-	-
-HCL Australia Services Pty. Limited	77.62	33.18	0.37	7.11	2.86	4.36	-	-
-HCL Sweden AB	65.75	54.08	5.55	2.65	15.32	18.98	-	-
-HCL Technologies France	157.17	12.48	2.91	1.87	-	-	-	-
-HCL Bermuda Limited	-	-	-	-	-	-	-	
-Others	579.41	248.34	88.86	79.62	29.17	39.52	-	-
Total (A)	**1,898.07**	**1,665.03**	**286.87**	**274.92**	**237.49**	**316.07**	**-**	**-**
Jointly controlled entities								
-Statestreet HCL Services (India) Pvt. Ltd.	2.34	0.78	-	0.08	-	-	-	-
Total (B)	**2.34**	**0.78**	**-**	**0.08**	**-**	**-**	**-**	**-**
Significant influence								
-HCL Infosystems Limited	3.59	22.36	0.27	0.01	1.60	1.75	6.62	29.21
-HCL Infotech Limited	146.94	71.86	0.34	-	17.88	12.30	0.21	-
-Others	0.74	-	0.16	-	0.09	-	0.04	3.04
Total (C)	**151.27**	**94.22**	**0.77**	**0.01**	**19.57**	**14.05**	**6.87**	**32.25**
Total (A+B+C)	**2,051.68**	**1,760.03**	**287.64**	**275.01**	**257.06**	**330.12**	**6.87**	**32.25**

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties- Continued

	Guarantee outstanding (refer note 2.30 (b))		Liabilities for expense		Long term income received in advance		Capital advances		Supplier credit	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Subsidiaries										
-HCL America Inc.	180.78	989.48	235.13	109.99	47.55	86.65	-	-	-	-
-HCL Great Britain Limited	-	55.07	63.97	57.80	34.17	57.59	-	-	-	-
-HCL Comnet Limited	-	-	8.09	6.34	-	-	-	-	-	-
-HCL Bermuda Limited	100.05	102.62	-	-	-	-	-	-	-	-
-HCL Japan Limited	-	18.06	1.08	0.87	-	-	-	-	-	-
-HCL Insurance BPO services Limited	420.21	430.99	-	-	-	-	-	-	-	-
-HCL Singapore Pte Limited	29.28	178.15	8.63	2.68	-	1.29	-	-	-	-
-Axon Solution Limited	-	-	92.02	-	-	-	-	-	-	-
-Others	-	6.02	78.63	42.05	11.66	33.08	-	-	-	-
Total (A)	**730.32**	**1,780.39**	**487.55**	**219.73**	**93.38**	**178.61**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	-	-	0.56	7.00	-	-	-	0.02	5.71	3.94
-Digilife Distribution and Marketing Services Limited	-	-	-	-	-	-	-	-	0.86	6.59
-HCL Talent Care Private Limited	-	-	4.59	-	-	-	-	-	-	-
-Others	-	-	1.24	0.98	-	-	-	-	2.97	-
Total (B)	**-**	**-**	**6.39**	**7.98**	**-**	**-**	**-**	**0.02**	**9.54**	**10.53**
Total (A+B)	**730.32**	**1780.39**	**493.94**	**227.71**	**93.38**	**178.61**	**-**	**0.02**	**9.54**	**10.53**

(All amounts in crores of ₹, except share data and as stated otherwise)

e) Outstanding balances with related parties- Continued

	Loan and advances		Unbilled revenue		Deferred cost		Advance against sale of building		Advance received from customer	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Subsidiaries										
-HCL America Inc.	15.60	11.88	334.71	350.20	-	-	-	-	-	-
- HCL Great Britain Limited	4.42	11.13	75.56	119.13	-	-	-	-	-	-
-HCL Comnet Limited	2.28	0.59	4.78	4.51	2.01	5.71	-	-	-	-
-HCL Australia Services Pty.							-	-		
Limited	0.82	0.87	18.59	18.83	-	-	-	-	-	-
-HCL Gmbh	10.17	7.31	0.88	1.02	-	-	-	-	-	-
-HCL Technologies UK Limited	-	-	46.40	0.49	-	-	-	-	-	-
-Others	21.45	10.99	89.70	48.81	-	-	-	-	-	-
Total (A)	**54.74**	**42.77**	**570.62**	**542.99**	**2.01**	**5.71**	**-**	**-**	**-**	**-**
Jointly controlled entities										
-Statestreet HCL Services										
(India) Pvt.Ltd.	0.42	0.06	2.51	2.59	-	-	-	-	-	-
-Others	0.05	-	4.28	-	-	-	-	-	-	-
Total (B)	**0.47**	**0.06**	**6.79**	**2.59**	**-**	**-**	**-**	**-**	**-**	**-**
Significant influence										
-HCL Infosystems Limited	0.95	6.10	9.06	9.92	-	-	-	-	2.41	-
-SSN Investment(Pondi) Private										
Limited	1.38	-	-	-	-	-	-	108.00	-	-
-Others	0.78	0.14	0.44	-	-	-	-	-	-	-
Total (C)	**3.11**	**6.24**	**9.50**	**9.92**	**-**	**-**	**-**	**108.00**	**2.41**	**-**
Total (A+B+C)	**58.32**	**49.07**	**586.91**	**555.50**	**2.01**	**5.71**	**-**	**108.00**	**2.41**	**-**

(All amounts in crores of ₹, except share data and as stated otherwise)

2.29 Research and development expenditure

	Year ended 30 June 2015	Year ended 30 June 2014
Revenue	181.77	152.73
Capital	-	-
	181.77	**152.73**

2.30 Commitments and Contingent liabilities

a)

	As at 30 June 2015	As at 30 June 2014
i) Capital and other commitments		
Capital commitments		
Estimated amount of unexecuted capital contracts (net of advances)	491.29	743.03
	491.29	**743.03**
ii) Contingent Liabilities		
Others	0.63	1.42
Total	**0.63**	**1.42**

The amounts shown in the item above represent best estimates arrived at on the basis of available information. The possible outflows on account of contingent liabilities are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore, cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

b) Guarantees have been given by the Company on behalf of various subsidiaries against credit facilities, financial assistance and office premises taken on lease amounting to ₹ 730.32 crores (Previous year ₹ 1,780.39 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

c) The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants annually for conducting transfer pricing studies to determine whether transactions with associated enterprises undertaken during the financial year, are on an "arms length basis". Adjustments, if any, arising from the transfer pricing studies in the respective jurisdictions will be accounted for when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms' length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

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(All amounts in crores of ₹, except share data and as stated otherwise)

2.31 Derivative Financial Instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as insignificant. A majority of the forward foreign exchange/option contracts mature within one to twelve months and the forecast transactions are expected to occur during the same period. The Company does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding: -

Sell Covers	As at 30 June 2015	As at 30 June 2014
Foreign Currency	**₹ Equivalent**	
USD/INR	3,173.97	3,803.23
GBP/INR	10.00	123.15
EURO/INR	88.97	300.07
EURO/USD	101.40	84.18
AUD/USD	62.47	67.87
CHF/USD	75.55	47.35
SEK/USD	42.77	5.93
GBP/USD	110.05	-
ZAR/USD	55.65	-
JPY/USD	15.60	-
NOK/USD	93.85	-
RUB/USD	21.18	-
CHF/INR	6.84	-
SEK/INR	11.60	-
	3,869.90	**4,431.78**

Options	As at 30 June 2015	As at 30 June 2014
	₹ Equivalent	
Range Forward		
USD/INR	3,336.72	1,508.75
GBP/INR	543.77	302.75
EURO/INR	663.65	313.22
AUD/INR	67.51	16.97
Seagull		
USD/INR	182.04	-
Euro/INR	30.61	-
Total	**4,824.30**	**2,141.69**

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(All amounts in crores of ₹, except share data and as stated otherwise)

The following table summarizes the activity in the hedging reserve related to all derivatives classified as cash flow hedges during the years ended 30 June 2015 and 2014.

	Year ended 30 June 2015	Year ended 30 June 2014
(Loss)/Gain as at the beginning of the year	(261.33)	(631.27)
Unrealized gain/(loss) on cash flow hedging derivatives during the year	121.67	(174.63)
Net losses reclassified into net income on occurrence of hedged transactions	89.27	544.57
Net losses reclassified into net income as hedged transactions are not likely to occur	-	-
Loss as at the end of the year (refer note 1 below)	**(50.39)**	**(261.33)**
Deferred tax	9.71	51.05
Hedging reserve account (net of deferred tax)	**(40.68)**	**(210.28)**

Notes:

1. As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ Nil (Previous year ₹ 942.96 crores).

2. At 30 June 2015, the estimated net amount of existing loss that is expected to be reclassified into the income statement within the next twelve months is ₹ 12.88 crores (Previous year loss of ₹ 132.89 crores).

2.32 Earnings per equity share (EPS)

	Year ended	
	30 June 2015	**30 June 2014**
Net profit as per statement of profit and loss for computation of EPS	6,345.95	5,984.62
Weighted average number of shares outstanding in computation of basic EPS*	1,404,808,456	1,397,233,894
Dilutive effect of stock options outstanding*	8,142,875	18,994,532
Weighted average number of equity shares outstanding in computing diluted EPS*	1,412,951,331	1,416,228,426
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹)		
- Basic	45.17	42.83
- Diluted	44.91	42.26

*Adjusted for bonus issue, refer note 2.1

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(All amounts in crores of ₹, except share data and as stated otherwise)

2.33 Micro and Small Enterprises

As per information available with the management, the dues payable to enterprises covered under "The Micro, Small and Medium Enterprises Development Act, 2006" are as follows:

	For the year ended 30 June 2015		For the year ended 30 June 2014	
	Principal	Interest	Principal	Interest
Amount due to vendor	0.64	0.04	0.03	0.00
Principal amount paid beyond the appointed date		-		-
Interest under normal credit terms -				
Accrued and unpaid during the year		-		-
Total interest payable -				
Accrued and unpaid during the year		0.04		0.01

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

2.34 Employee Benefit Plans

The Company has calculated the various benefits provided to employees as shown below

A. Defined Contribution Plans and State Plans

Superannuation Fund
Employer's contribution to Employees State Insurance
Employer's contribution to Employee Pension Scheme

During the year the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended 30 June 2015	Year ended 30 June 2014
Superannuation Fund	1.78	2.02
Employer's contribution to Employees State Insurance	3.30	3.20
Employer's contribution to Employee's Pension Scheme	72.63	40.98
Total	**77.71**	**46.20**

B. Defined Benefit Plans

a) Gratuity
b) Employer's Contribution to Provident Fund

Gratuity

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure of 15 days base salary (last drawn salary) for each completed year of service subject to maximum of ₹ 10 Lacs per employee.

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

The following table sets out the status of the gratuity plan:

Statement of profit and loss

Net employee benefit expense (recognized in employee cost)

	Year ended 30 June 2015	Year ended 30 June 2014
Current service cost	45.80	43.38
Interest cost on benefit obligation	20.34	15.97
Net actuarial gain recognized in the year	(7.41)	(25.67)
Past service cost	-	-
Net benefit expense	**58.73**	**33.68**

Balance Sheet

Details of provision for gratuity

	Year ended 30 June 2015	Year ended 30 June 2014
Defined benefit obligations	245.36	207.94
Fair value of plan assets	-	-
	245.36	207.94
Less: Unrecognized past service cost	-	-
Plan liability	**245.36**	**207.94**

Changes in present value of the defined benefit obligation are as follows:

	Year ended 30 June 2015	Year ended 30 June 2014
Opening defined benefit obligations	207.94	188.38
Current service cost	45.80	43.38
Interest cost	20.34	15.97
Actuarial gain on obligation	(7.41)	(25.67)
Benefits paid	(21.31)	(14.12)
Closing defined benefit obligations	**245.36**	**207.94**

	Year ended 30 June 2015	Year ended 30 June 2014
Discount rate	8.05%	8.80%
Estimated Rate of salary increases	7%	7%
Employee Turnover	23%	21%
Expected rate of return on assets	N.A.	N.A.

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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(All amounts in crores of ₹, except share data and as stated otherwise)

The following table sets out the experience adjustment to plan liabilities as required under AS-15 (Revised):

	Year ended 30 June				
	2015	*2014*	*2013*	*2012*	*2011*
Defined benefit obligations	245.36	207.94	188.38	140.65	100.58
Experience adjustment to plan liabilities	(17.05)	(8.78)	(1.19)	7.69	6.75

Employer's contribution to provident fund

The actuary has provided a valuation and based on the assumption mentioned below, there is no shortfall as at 30 June 2015 and 30 June 2014.

The details of the fund and plan asset position are given below:-

	30 June 2015	30 June 2014
Plan assets at the year end	1,845.71	1,487.05
Present value of benefit obligation at year end	1,845.71	1,487.05
Asset recognized in balance sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach.

	30 June 2015	30 June 2014
Government of India(GOI) bond yield	9.44%	9.49%
Remaining term of maturity	7.83 Years	9.40 Years
Expected guaranteed interest rate	8.75%	8.75%

During the year ended 30 June 2015, the Company has contributed ₹ 83.80 crores (Previous year ₹ 92.79 crores) towards employer's contribution to the provident fund.

2.35 Corporate social responsibility

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ₹ 89.99 crores and the amount spent during the year is ₹ 6.22 crores.

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

2.36 Particulars of purchases, sales and closing stock of trading goods:

	Opening Stock	Purchases	Sales	Closing Stock
ITEMS	**Value (₹)**	**Value (₹)**	**Value (₹)**	**Value (₹)**
Software Licenses	2.33 (21.98)	38.49 (28.94)	42.03 (54.52)	5.56 (2.33)
Servers	4.04 (3.73)	137.43 (190.47)	136.40 (220.34)	2.99 (4.04)
Storage devices	0.07 (0.70)	39.37 (38.23)	31.63 (49.55)	2.27 (0.07)
Routers	0.13 (1.60)	25.41 (3.78)	21.09 (10.03)	0.08 (0.13)
Switches	0.15 (2.59)	25.17 (6.75)	25.39 (18.07)	0.72 (0.15)
Others*	8.82 (49.69)	97.89 (77.20)	58.22 (129.62)	70.15 (8.82)
Total	**15.54** (80.29)	**363.76** (345.37)	**314.76** (482.13)	**81.77** (15.54)

* Does not include any item which in value individually accounts for 10% or more of the total value of sales/ stock

Notes: previous year figures are given in brackets.

HCL Technologies Limited
Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

		Year ended 30 June 2015	Year ended 30 June 2014
2.37	**CIF value of imports**		
	Capital goods	142.75	138.25
	Others	58.28	28.86
		201.03	**167.11**
2.38	**Auditors' remuneration ***		
	A. As Auditors		
	Statutory audit	2.66	2.42
	Tax audit fees	0.30	0.28
	Out of pocket expenses	0.20	0.20
	B. For Certification	0.24	0.39
		3.40	**3.29**
	* excluding service tax		
2.39	**Expenditure in foreign currency (on accrual basis)**		
	Outsourcing costs	1,219.15	1,072.21
	Travel	206.64	194.53
	Rates and taxes	1.71	3.16
	Software license fee	32.98	59.29
	Communication costs	16.70	19.15
	Professional fees	0.63	23.94
	Recruitment training and development	8.22	6.60
	Repair and maintenance	9.10	6.58
	Dues & subscription	-	11.35
	Others	40.63	22.59
		1,535.76	**1,419.40**
2.40	**Earnings in foreign currency (on accrual basis)**		
	Income from services	14,684.51	14,239.77
		14,684.51	**14,239.77**

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HCL Technologies LTD.

(All amounts in crores of ₹, except share data and as stated otherwise)

2.41	Dividend remitted in foreign currency	Year ended 30 June 2015	Year ended 30 June 2014
	Final dividend		
	Number of non-resident shareholders	-	56
	Number of shares held	-	119,980,029
	Amount remitted in ₹ (net of tax)	-	71.99
	Amount remitted FCY	-	$11,612,844
	Year to which it relates	-	2012-13
	1st Interim dividend		
	Number of non-resident shareholders	48	56
	Number of shares held	119,957,036	119,953,649
	Amount remitted in ₹ (net of tax)	143.95	23.99
	Amount remitted FCY	$23,526,754	$3,901,249
	Year to which it relates	2014-15	2013-14
	2nd Interim dividend		
	Number of non-resident shareholders	47	53
	Number of shares held	119,923,196	119,979,529
	Amount remitted in ₹ (net of tax)	71.95	47.99
	Amount remitted FCY	$11,700,775	$7,714,485
	Year to which it relates	2014-15	2013-14
	3rd Interim dividend		
	Number of non-resident shareholders	47	50
	Number of shares held	119,923,196	119,942,486
	Amount remitted in ₹ (net of tax)	95.94	47.98
	Amount remitted FCY	$15,444,815	$7,917,322
	Year to which it relates	2014-15	2013-14
	4th Interim dividend		
	Number of non-resident shareholders	47	-
	Number of shares held	239,846,392	-
	Amount remitted in ₹ (net of tax)	95.94	-
	Amount remitted FCY	$15,175,349	-
	Year to which it relates	2014-15	-

HCL Technologies LTD.

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Notes to financial statements for the year ended 30 June 2015

(All amounts in crores of ₹, except share data and as stated otherwise)

2.42 Previous year figures have been rearranged to conform to the current year's classification.

As per our report of even date

FOR S. R. BATLIBOI & CO. LLP
ICAI Firm Registration Number : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership Numer:17401

Gurgaon, India
03 August 2015

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

Shiv Nadar
Chairman and Chief Strategy Officer

Amal Ganguli
Director

Anant Gupta
President and Chief Executive Officer

Anil Chanana
Chief Financial Officer

Manish Anand
Company Secretary

Noida (UP), India
03 August 2015

S.R. BATLIBOI & CO. LLP GURGAON

HCL Technologies LTD.

PRYD & Associates

CHARTERED ACCOUNTANTS

Net-worth certificate

M/s. **HCL Technologies Limited**, a Company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 has requested us to issue a certificate of net-worth as on June 30, 2015 for onward submission with the National Stock Exchange of India Limited and BSE Limited in connection with the approval of a Scheme of Arrangement for transfer of 'India System Integration Business' of the Company to its wholly owned subsidiary, **HCL Comnet Limited** on a going concern basis with an objective to have simplified business structure with greater visibility in the performance of individual businesses.

As per the relevant records, information and explanations given to us and based on our examination of above, we hereby certify the net-worth of the Companies as on **June 30, 2015** as under:

HCL Technologies Limited

Statement of Computation of Indicative Net worth Pre and Post the Scheme of Arrangement

		Amount in (Rs/ Crores)
		As at June 30, 2015
Particulars	**Pre-Scheme of Arrangement**	**Post-Scheme of Arrangement**
Share Capital		
A). Equity Shares- Issued & fully paid-up	**281.20**	**281.20**
Reserves and Surplus *		
Securities Premium Account	1,881.21	1,881.21
General Reserve	2,639.20	2,639.20
Net surplus in the statement of Profit and Loss Account	14,439.17	14,439.17
B). Total Reserves and Surplus	**18,959.58**	**18,959.58**
C). Less: Miscellaneuous Expenditure written off	-	-
Networth(A+B-C)	**19,240.78**	**19,240.78**

Note: *Free Reserves have been considered as per Section 2(43) of the Companies Act, 2013*

For **PRYD & Associates**
FRN – 011626N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

CA P M Mittal
(Partner)
M.No. 094667

Date – 30-Oct-15
Place – New Delhi, India

PRYD & Associates

CHARTERED ACCOUNTANTS

HCL Comnet Limited

Statement of Computation of Indicative Net worth Pre and Post the Scheme of Arrangement

		Amount in (Rs/ Crores)
		As at June 30, 2015
Particulars	**Pre-Scheme of Arrangement**	**Post-Scheme of Arrangement**
Share Capital		
A). Equity Shares- Issued & fully paid-up	**0.95**	**0.95**
Reserves and Surplus *		
Securities Premium Account	53.99	53.99
Net surplus in the statement of Profit and Loss Account	182.67	182.67
B). Total Reserves and Surplus	**236.67**	**236.67**
C). Less: Miscellaneuous Expenditure written off	-	-
Networth	**237.62**	**237.62**

Note: *Free Reserves have been considered as per Section 2(43) of the Companies Act, 2013*

For **PRYD & Associates**
FRN – 011626N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

CA P M Mittal
(Partner)
M.No. 094667

Date – 30-Oct-15
Place – New Delhi, India

Annexure-7

PRYD & Associates

CHARTERED ACCOUNTANTS

CA

Certificate on the Turnover and profitability

M/s. HCL Technologies Limited (HCLT), a Company incorporated under the Companies Act, 1956 and having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019 has requested us to issue a certificate for the **'Percentage Turnover' and 'Profitability of the division' as on June 30, 2015** for onward submission with the National Stock Exchange of India Limited and BSE Limited in connection with the approval of a Scheme of Arrangement for transfer of 'India System Integration Business' of the Company to its wholly owned subsidiary, M/s **HCL Comnet Limited** on a going concern basis with an objective to have simplified business structure with greater visibility in the performance of individual businesses.

As per the relevant records, information and explanations given to us and based on our examination of above, we hereby certify the 'Percentage Turnover' and 'Profitability of the division' being transferred to HCL Comnet Limited, as **on June 30, 2015** as under:

Amt in Rs. Cr

HCLT	Financial Year	Turnover	% to total	Profit after Tax	% to total
Demerged division	2014-15	345	2.0%	54	0.8%
	2013-14	426	2.6%	(41)	-0.7%
Other divisions	2014-15	16,809	98.0%	6,292	99.2%
	2013-14	16,072	97.4%	6,025	100.7%
Total	2014-15	17,153	100.0%	6,346	100.0%
	2013-14	16,497	100.0%	5,985	100.0%

For **PRYD & Associates**
FRN – 011626N
Chartered Accountants

PRYD & ASSOCIATES New Delhi 011626N Chartered Accountants

CA P M Mittal
(Partner)
M.No. 094667

Date – Friday, October 30, 2015
Place – New Delhi, India

4831 Govind Lane, 1st Floor, 24 Ansari Road, Darya Ganj, New Delhi 110002
Tel. (o) 011-23258183, (m) +91-9871620209

HCL TECHNOLOGIES LTD.
Corporate Identity Number: L74140DL1991PLC046369
A 10-11, Sector 3, NOIDA 201 301, UP, India.
T: +91 120 4013000 F: +91 120 2526907
Registered Office: ...
www.hcltech.com
www.hcl.com

Annexure-8

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF HCL COMNET LIMITED IN ITS MEETING HELD ON SEPTEMBER 29, 2015

"RESOLVED THAT pursuant to Sections 391 to 394 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Companies Act, 2013 and other applicable provisions, if any, and the Memorandum and Articles of Association of the Company and subject to the consent of members and/ or creditors of the Company, approval of the Hon'ble High Court of Delhi (hereinafter referred to as the "High Court") and Registrar of Companies, National Capital Territory of Delhi & Haryana (hereinafter referred to as the "Registrar") and/ or any other relevant authority empowered to approve the Scheme of Arrangement between HCL Technologies Limited, HCL Comnet Limited & their respective shareholders and creditors (hereinafter referred to as the "Scheme") and such other requisite and other approvals, consents, permissions and/or sanctions of any appropriate authority, body or institution (hereinafter collectively referred to as "the concerned authority") and subject to such conditions or guidelines, if any, as may be prescribed, stipulated in this regard by the High Court or the concerned authority or any of them, from time to time, while granting such approvals, consents, permissions and/or sanctions, the Scheme, which inter-alia provides for the transfer of India System Integration Business of HCL Technologies Limited to HCL Comnet Limited ("Company") on a going concern basis for a consideration up to Rs.132 crores be and is hereby approved."

"RESOLVED FURTHER THAT Mr. Manish Anand and Mr. Prahlad Rai Bansal, Directors of the Company be and are hereby severally authorized to undertake various actions in the name of and on behalf of the Company including but not limited to:

(a) Finalize the Scheme of arrangement including the exact consideration, drafting the notices and explanatory statement under Section 393 of the Companies Act, 1956 for convening/ dispensing the class meetings of the equity shareholders, and creditors with one or more modifications as they may deem fit; application(s)/petition(s) for the scheme of arrangement, any affidavits, pleadings or any other documents and file the same before the Hon'ble High Courts of Delhi, and / or any other relevant court and all such further deeds, documents and writings as may be necessary in that behalf;

(b) Finalize and submit applications to be made to the relevant Court(s), Company Law Tribunal, Government Departments or other regulatory /statutory or other authorities (hereinafter referred as "relevant authorities") or any other relevant person(s) for seeking and obtaining necessary approvals to the said scheme as may be required and to make appropriate representations, submissions or disclosures to the relevant authorities or relevant persons as may be required for the purpose;

(c) To engage, hire, appoint and remove one or more counsel/advocate/pleader solicitor(s), advocate(s), attorney(s), accountant(s), consultant(s); Valuer(s), merchant bankers and other expert advisors for the implementation of the Scheme and fix their fee(s) and other expense.

(d) To intimate to the relevant authorities from time to time for giving effect to the scheme.

(e) To do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme.

HCL TECHNOLOGIES LIMITED

Manand

HCL

"RESOLVED FURTHER THAT Mr. Manish Anand, Company Secretary of the Company be and is hereby authorised to file necessary forms with the Registrar of Companies."

"RESOLVED FURTHER THAT a Committee (hereinafter referred to "Restructuring Committee") of the Directors namely (i) Mr. Amal Ganguli, (ii) Mr. S. Madhavan and (iii) Mr. R. Srinivasan be and is hereby constituted and authorized to take the following decisions on behalf of the Board:

a) To approve any amendments/ modifications to the Scheme as may be advised by the Hon'ble High Court or any other authority.

b) To consider and approve any certificates, undertakings, affidavits and/or any other documents that may be required to be submitted with the Stock Exchanges, Hon'ble High Court and/or any other authorities and to take all decisions for administering the approval of the Scheme from the Stock Exchanges, Hon'ble High Court and other Authorities.

c) To decide on any matter of law or administration of the Scheme and to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme.

d) To delegate the powers in favour of the Officer(s) or Employee(s) of the Company or holding Company for implementing the necessary tasks for seeking approval from various authorities and for implementation of the Scheme including filing of necessary Forms/ Returns, documents, papers etc. or any other action, task etc. as they may deem appropriate.

e) To do all such acts, deeds and things that may be necessary for implementation of the said Scheme."

"RESOVLED FURTHER THAT the presence of any two of the above Directors of the Company shall constitute the quorum for the meeting of the Restructuring Committee."

"RESOLVED FURTHER THAT subject to the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, the Restructuring Committee is permitted to pass any resolution by circulation and the resolution passed by circulation shall have the same effect and force as if the resolution have been passed in the meeting of Restructuring Committee."

"RESOLVED FURTHER THAT all acts, deeds, matters and things done by the Restructuring Committee for the purpose shall have the same effect as if done by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Common Seal of the Company, required if any, be affixed on any document in connection with the purpose of the above resolutions, in the presence of any one Director and Company Secretary of the Company."

"RESOLVED FURTHER THAT a copy of the resolution certified as true copy be issued by Mr. Manish Anand, Company Secretary of the Company."

Date: October 30, 2015

Place: Noida (U.P.)

HCL TECHNOLOGIES LIMITED

For **HCL Technologies Limited**

Manand

Manish Anand
Company Secretary

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Annexure-8

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF HCL COMNET LIMITED IN ITS MEETING HELD ON SEPTEMBER 29, 2015

"RESOLVED THAT pursuant to Sections 391 to 394 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Companies Act, 2013 and other applicable provisions, if any, and the Memorandum and Articles of Association of the Company and subject to the consent of members and/ or creditors of the Company, approval of the Hon'ble High Court of Delhi (hereinafter referred to as the "High Court") and Registrar of Companies, National Capital Territory of Delhi & Haryana (hereinafter referred to as the "Registrar") and/ or any other relevant authority empowered to approve the Scheme of Arrangement between HCL Technologies Limited, HCL Comnet Limited & their respective shareholders and creditors (hereinafter referred to as the "Scheme") and such other requisite and other approvals, consents, permissions and/or sanctions of any appropriate authority, body or institution (hereinafter collectively referred to as "the concerned authority") and subject to such conditions or guidelines, if any, as may be prescribed, stipulated in this regard by the High Court or the concerned authority or any of them, from time to time, while granting such approvals, consents, permissions and/or sanctions, the Scheme, which inter-alia provides for the transfer of India System Integration Business of HCL Technologies Limited to HCL Comnet Limited ("Company") on a going concern basis for a consideration up to Rs.133 crores be and is hereby approved."

"RESOLVED FURTHER THAT Mr. Manish Anand and Mr. Prahlad Rai Bansal, Directors of the Company be and are hereby severally authorized to undertake various actions in the name of and on behalf of the Company including but not limited to:

(a) Finalize the Scheme of arrangement including the exact consideration, drafting the notices and explanatory statement under Section 393 of the Companies Act, 1956 for convening/ dispensing the class meetings of the equity shareholders, and creditors with one or more modifications as they may deem fit; application(s)/petition(s) for the scheme of arrangement, any affidavits, pleadings or any other documents and file the same before the Hon'ble High Courts of Delhi, and / or any other relevant court and all such further deeds, documents and writings as may be necessary in that behalf;

(b) Finalize and submit applications to be made to the relevant Court(s), Company Law Tribunal, Government Departments or other regulatory /statutory or other authorities (hereinafter referred as "relevant authorities") or any other relevant person(s) for seeking and obtaining necessary approvals to the said scheme as may be required and to make appropriate representations, submissions or disclosures to the relevant authorities or relevant persons as may be required for the purpose;

(c) To engage, hire, appoint and remove one or more counsel/advocate/pleader solicitor(s), advocate(s), attorney(s), accountant(s), consultant(s); Valuer(s), merchant bankers and other expert advisors for the implementation of the Scheme and fix their fee(s) and other expense.

(d) To intimate to the relevant authorities from time to time for giving effect to the scheme.

HCL COMNET LIMITED

Anand

(e) To do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme.

"RESOLVED FURTHER THAT Mr. Manish Anand, Director of the Company be and is hereby authorised to file necessary forms with the Registrar of Companies."

"RESOLVED FURTHER THAT a committee (hereinafter referred to "Restructuring Committee") of the following Directors namely (i) Mr. Prahlad Rai Bansal , (ii) Mr. Atul Kumar Jain and (iii) Mr. Manish Anand be and is hereby constituted and authorized to take the following decisions on behalf of the Board:

a) To approve any amendments/ modifications to the Scheme as may be advised by the Hon'ble High Court or any other authority.

b) To decide any matter of law or question of law arising in regard to the Scheme to make it effective and to do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme.

c) To delegate the powers in favour of the Officer(s) or Employee(s) of the Company or holding Company for implementing the necessary tasks for giving effect to the Scheme including filing of necessary Forms/ Returns, documents, papers etc. or any other action, task etc. as they may deem appropriate.

d) To do such all such acts, deeds and things that may be necessary for implementation of the said Scheme."

"RESOVLED FURTHER THAT the presence of any two of the above Directors of the Company shall constitute the quorum for the meeting of the Restructuring Committee."

"RESOLVED FURTHER THAT subject to the relevant provisions of the Companies Act, 1956 and Companies Act, 2013, the Restructuring Committee is permitted to pass any resolution by circulation and the resolution passed by circulation shall have the same effect and force as if the resolution have been passed in the meeting of Restructuring Committee."

"RESOLVED FURTHER THAT all acts, deeds, matters and things done by the Restructuring Committee for the purpose shall have the same effect as if done by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Common Seal of the Company, required if any, be affixed on any document in connection with the purpose of the above resolutions, in the presence of any two Directors."

"RESOLVED FURTHER THAT a copy of the resolution certified as true copy be issued by any Director and /or Company Secretary of the Company."

Date: October 30, 2015

Place: Noida (U.P.)

For **HCL Coment Limited**

HCL COMNET LIMITED

Anand

Manish Anand
Director

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HCL TECHNOLOGIES LTD.
Corporate Identity Number: L74140DL1991PLC046369
A 10-11, Sector 3, NOIDA 201 301, UP, India.
T: +91 120 4013000 F: +91 120 2526907
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.
www.hcltech.com
www.hcl.com

Annexure-9

October 30, 2015

Mr. Hitesh Surathi
Deputy Manager- Listing
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (East)
Mumbai – 400 051

Sub: Confirmation in regard to the Scheme of Arrangement

Dear Sir,

This is in regard to the captioned subject. We would like to inform you that the Board of Directors of the Company has on October 16, 17 & 19, 2015 approved a Scheme of Arrangement ("Scheme") between HCL Technologies Limited (the Company'), and HCL Comnet Limited (a wholly owned subsidiary of the Company) under Section 391 to 394 of the Companies Act, 1956. As per the Scheme, the India System Integration Business of the Company would be transferred to HCL Comnet Limited on a going concern basis with an objective to have simplified business structure with greater visibility in the performance of individual businesses.

In this regard, we hereby confirm that

a) **that scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc., to be presented to any Court or Tribunal does not in any way violate, override or circumscribe the provisions of securities laws or the stock exchange requirements;**

b) **the Company is in compliance with Clause 49 of the Listing agreement;**

c) **rational behind the Scheme**;

The Boards of Directors of the Companies are of the view that proposed transfer and vesting of the ISIB Undertaking belonging to the Transferor Company into the Transferee Company as a going concern would, inter-alia, have the following benefits:

i. Simplified and transparent business structure of the Transferor Company and Transferee Company;
ii. More focussed management of the Transferor Company and Transferee Company;
iii. Greater visibility in the performance of the individual businesses;
iv. Higher degree of independence as well as accountability with autonomy for each of the business segment;

HCL TECHNOLOGIES LIMITED

Manand

HCL

v. *Will thrive in achieving and sustaining competitiveness and development of long-term internal and core competencies;*

vi. *Will also provide for independent collaboration and expansion without committing the existing organization in its entirety; and*

vii. *Will create a platform to enhance financial flexibility to pursue the next stage of growth*

d) Brief details about the business of the Companies

<u>HCL Technologies Limited ('Transferor Company')</u>

The Company is a Listed Company and primarily derives its revenue from an integrated portfolio of services including Software-led IT solutions, Remote Infrastructure Management, Engineering, R&D Services and Business Process Outsourcing Services. The Transferor Company provides holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare & Life Sciences.

<u>HCL Comnet Limited ('Transferee Company')</u>

The Company is an unlisted public limited company incorporated on August 8, 2001 under the provisions of the Act (as defined herein after) having its registered office situated in the State of Delhi. The Transferee Company is a wholly owned subsidiary of the Transferor Company. The Transferee Company is currently engaged in providing technology services to customers in India. The Transferee Company provides data communication services which includes trading of satellite and non-satellite based communication equipment such as VSAT, Routers, Switches, Modems etc., application operation services and services related to installation and maintenance of networking equipment. The Transferee Company provides its services across Defense, Financial Services, Government, Telecom, PSU's, Energy and utilities.

Thanking you

Yours faithfully
For **HCL Technologies Limited**

Anand

HCL TECHNOLOGIES LIMITED

Manish Anand
Company Secretary

STRAIGHT THROUGH SERVICES

Standard Chartered

By the order of

HCL TECHNOLOGIES LTD
A-10/11,SECTOR-3,NOIDA
UP-201301

NATIONAL STOCK EXCHANGE OF INDIA LTD
EXCHANGE PLAZA, C-1, BLOCK-G, MUMBAI
BANDRA(E), MUMBAI INDIA 400051

28 OCT 2015 — Page 1 of 1

Customer Reference: 1700026850
SCB Reference: IN02607Q0355003
Delivery Method: Pickup by Payee
Payment Summary:

Gross Amount		114,000.00
Remitting Bank Charges	less	0.00
Net Amount		114,000.00
Discount	less	0.00

Dear Sir/Madam,

Standard Chartered Bank has attached a cheque 748795 in the amount of Rs. **114,000.00 payable to yourself as instructed by **HCL TECHNOLOGIES LTD**

Payment Description: 1000B

REFERENCE	DATE	DESCRIPTION	AMOUNT (Rs.)
REFER DESC	26/10/2015	NSE	114,000.00

TOTAL: Rs. 114,000.00

Standard Chartered
Standard Chartered Bank
STS- Pay Centre, Mumbai - 400001

Limited Cashier's Order

Valid for three months from the date of issue

दिनांक Date 2 8 1 0 2 0 1 5

Not Negotiable Account Payee Only

Pay **NATIONAL STOCK EXCHANGE OF INDIA** **LTD** को या उनके आदेश पर Or Order

रुपये Rupees **One hundred fourteen thousand and 00/100 Only**
*** अदा करें।

₹ **114,000.00

खाता सं. A/c No. 22205505526

For Standard Chartered Bank

D226

D10107

Please sign above

Payable At Par At All SCB Branches In India

Cust Ref 1700026850
DD Number 748795

D. S. SAVANT & SONS, MUMBAI / CTS - 2010

⑈748795⑈ 000036000⑆ 734918⑈ 16

HCL TECHNOLOGIES LTD.
Corporate Identity Number: L74140DL1991PLC046369
A 10-11, Sector 3, NOIDA 201 301, UP, India.
T: +91 120 4013000 F: +91 120 2526907
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.
www.hcltech.com
www.hcl.com

November 4, 2015

Mr. Hitesh Surathi
Deputy Manager- Listing
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (East)
Mumbai – 400 051

Sub: Application for grant of approval under Clause 24(f) of the Listing Agreement

Dear Sir,

This is further to our letter dated October 30, 2015 on the captioned subject. Enclosed please find the below mentioned remaining documents for grant of approval under Clause 24(f) of the Listing Agreement:

I. An undertaking certified by the Statutory Auditors' of the Transferor Company stating the reasons for non-applicability of Para 5.16(a). **(Annexure-1)**

II. Certified copy of resolution of the Board of Directors of the Transferor Company approving the aforesaid Statutory Auditors' certificate. **(Annexure- 2).**

III. Statutory Auditors' Certificate confirming the compliance of the accounting treatment as specified in the Clause 24(i) of the listing agreement, as per the format given in SEBI circular CIR/CFD/DIL/1/2014 dated March 25, 2014. **(Annexure- 3)**

We trust you will find the above document in order. We would request you to kindly take the same on records and grant approval under clause 24(f) of the listing agreement for the proposed Scheme of Arrangement.

In case, you require any other document/ information, please let us know. We shall be pleased to provide the same.

Thanking you

Yours faithfully
For **HCL Technologies Limited**

Manand

Manish Anand
Company Secretary
Tel: +91 120 4013000 (Extn. 3009), 2556436 (D)
Mobile: +91 9810799759
E-mail: manishanand@hcl.com

Encl:a/a

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

The Board of Directors,
HCL Technologies Limited
806, Siddhartha
96, Nehru Place
New Delhi 110 019

Auditors' Certificate

1) This certificate is issued in accordance with the terms of our agreement.

2) The accompanying undertaking stating the reasons for non applicability of Paragraph 5.16 (a) of circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by the Securities Exchange Board of India ("SEBI") (hereinafter referred to as the "Circular") has been prepared by the Management of HCL Technologies Limited (the 'Company') pursuant to the requirements of paragraph 5.16(b) of the Circular in connection with its proposed scheme of arrangement between the Company and HCL Comnet Limited ("the wholly-owned subsidiary of the Company") and their respective shareholders and creditors (hereinafter referred to as the "("draft Scheme of arrangement") to transfer India System Integration Business of the Company to the wholly-owned subsidiary of the Company. We have initialled the Undertaking for identification purpose only. We have relied on the above undertaking and performed no further procedures in this regard.

Management's Responsibility for the Undertaking

3) The preparation of the Undertaking is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.

4) The Management is also responsible for ensuring that the Company complies with the requirements of the Circular and the Companies Act, 1956 read with applicable provisions of the Companies Act, 2013 in relation to the Proposed Scheme and for providing all the information to the SEBI, BSE Limited and National Stock Exchange of India Limited (together referred to as "Stock Exchanges.").

Auditors' Responsibility

5) Pursuant to the Circular, it is our responsibility to examine the Proposed Scheme and certify whether the requirements set out in Paragraph 5.16 (a) of the Circular, as stated in the Undertaking, are applicable to the Proposed Scheme.

6) We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement /scheme other than the matters referred to in the said certificate.

Conclusion

7) On the basis of verification of the undertaking given by the Company and according to the information, explanations and specific representations received by us from the management, we certify that the conditions prescribed in paragraph 5.16 (a) of the Original SEBI Circular read with Point no. 7 of the Revised SEBI Circular (in relation to the voting by public shareholders) are not applicable to the Proposed arrangement based on the following grounds:

   (a) The draft arrangement does not envisage any issue of shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;

CERTIFIED TRUE COPY
For HCL TECHNOLOGIES LIMITED
MANISH ANAND
Company Secretary

S.R. BATLIBOI & CO. LLP
Chartered Accountants

(b) There is no scheme of arrangement between the Company and Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group; and

(c) The Company has not acquired equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed company and there is no merger of any of such companies, which is proposed under the proposed petition.

Restrictions on Use

8) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

9) This certificate has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, to enable the Company to file its application with the Stock Exchanges and should not be used by any other person or for any other purpose. S. R. Batliboi & Co. LLP neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

For S. R. Batliboi & Co. LLP
ICAI Firm Registration no. : 301003E
Chartered Accountants

per Tridibes Basu
Partner
Membership No.: 17401
Place: Gurgaon
Date: October 30, 2015

CERTIFIED TRUE COPY
For HCL TECHNOLOGIES LIMITED

MANISH ANAND
Company Secretary

HCL TECHNOLOGIES LTD.
Corporate Identity Number: L74140DL1991PLC046369
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Undertaking in relation to non-applicability of requirements prescribed in Para 5.16 (a) of SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 ("Original SEBI Circular) read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("Revised SEBI Circular") in respect of Scheme of Arrangement

This is in relation to the Scheme of Arrangement ("Scheme") between HCL Technologies Limited ("Company") and HCL Comnet Limited ("HCL Comnet"), a wholly owned subsidiary of the Company under the provisions of Sections 391 to 394 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Companies Act, 2013 and other applicable provisions, if any, and the Memorandum and Articles of Association of the Company and subject to the consent of members and/ or creditors of the Company, approval of the Hon'ble High Court of and Registrar of Companies, National Capital Territory of Delhi & Haryana and/ or any other relevant authority.

Upon, Scheme become effective, the India System Integration Business of the Company will be transferred to HCL Comnet on a going concern basis for cash consideration and there will not be any issuance of shares.

In connection, with the proposed scheme, we undertake that the requirement of Para 5.16(a) of the Original circular as modified by the revised SEBI Circular pertaining to voting by only public shareholders thorough postal ballot and e-voting is not applicable to the Company for the following reasons:

i. **Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed company, or**

   Reason for non-applicability

   This Clause is not applicable as the Scheme does not involve issuance of shares to anyone.

ii. **Where the Scheme of Arrangement involves the listed company and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.**

   Reason for non-applicability:

   This Clause is not applicable as the Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

HCL TECHNOLOGIES LIMITED

S.R. BATLIBOI & CO. LLP GURGAON

CERTIFIED TRUE COPY
For HCL TECHNOLOGIES LIMITED

MANISH ANAND
Company Secretary

HCL

HCL TECHNOLOGIES LTD.
Corporate Identity Number: L74140DL1991PLC046369
A 10-11, Sector 3, NOIDA 201 301, UP, India.
T: +91 120 4013000 F: +91 120 2526907
Registered Office: 806 Siddharth, 96, Nehru Place, New Delhi-110019, India.
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iii. **Where the parent listed company, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed company, and if that subsidiary is being merged with the parent listed company under the Scheme.**

Reason for non-applicability:

This Clause is not applicable as the Company has not acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed company. Further, under the proposed Scheme, HCL Comnet Limited is not getting merged with the Company.

October 30, 2015
Noida(U.P.)

For HCL Technologies Limited

Manish Anand
Company Secretary

HCL TECHNOLOGIES LIMITED

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For HCL TECHNOLOGIES LIMITED

MANISH ANAND
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CERTIFIED TRUE COPY OF THE RESOLUTION DATED OCTOBER 30, 2015 PASSED BY RESTRUCTURING COMMITTEE OF THE BOARD OF DIRECTORS OF HCL TECHNOLOGIES LIMITED

"RESOLVED THAT an Undertaking for non-applicability of Para 5.16(a) of SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 in respect of Scheme of Arrangement to be furnished to the Stock Exchanges, as placed before the Restructuring Committee of the Board be and is hereby approved."

"RESOLVED FURTHER that Mr. Anil Chanana, Chief Financial Officer and Mr. Manish Anand, Company Secretary are hereby severally authorized to issue the aforesaid Undertaking on behalf of the Company."

"RESOLVED FURTHER that the Certificate of the Statutory Auditors for non-applicability of Para 5.16(a) of the aforesaid SEBI Circular be and is hereby noted."

For **HCL Technologies Limited**

M Anand

Manish Anand
Company Secretary

Place: Noida(U.P.)
Date: November 4, 2015

HCL

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

The Board of Directors,
HCL Technologies Limited
806, Siddhartha
96, Nehru Place
New Delhi 110 019

Dear Sirs,

We, the statutory auditors of HCL Technologies Limited (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in Clause 12.1 of Part II of the Draft Scheme of Arrangement between HCL Technologies Limited and HCL Comnet Limited (hereinafter referred to as "the Transferee Company") and their respective shareholders and creditors (hereinafter referred to as "Draft Scheme") in respect of the transfer of India System Integration Business of the Company (as defined in the Scheme) and vesting thereof in the Transferee Company, as a going-concern, in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 read with applicable provisions of the Companies Act, 2013, with reference to its compliance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. Our examination did not extend to any aspects of a legal or propriety nature covered in the clause 6, 15 and 17of the draft scheme of arrangement.

In respect of transfer of the India System Integration Business of the company as more fully explained in the draft scheme of arrangement, we hereby state, that the accounting treatment in respect of transfer of the India System Integration Business of the Company is not directly addressed by any of the Accounting Standards specified by the Central Government under section 133 of Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Accordingly, in our view, the accounting requirements of the proposed Scheme with respect to aspects of transfer of the India System Integration Business as specified in clause 12.1 of the draft scheme of arrangement are not in violation of the requirements of section 133 of Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

Read with the above said and based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid Draft Scheme is in compliance with Clause 24 (i) of the Listing Agreement and all the applicable Accounting Standards specified by the Central Government under section 133 of Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014.

This Certificate is issued at the request of the Company pursuant to the requirements of Clause 24(i) of the Listing Agreement for onward submission to the National Stock Exchange of India Ltd and BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

For S. R. Batliboi & Co. LLP
ICAI Firm Registration no.: 301003E
Chartered Accountants

Tridibes Basu

per Tridibes Basu
Partner
Membership No.: 17401
Place: Gurgaon
Date: October 30, 2015

CERTIFIED TRUE COPY
For HCL TECHNOLOGIES LIMITED

Anand

MANISH ANAND
Company Secretary