

Annual Report **2020**

Reimagining Tomorrow's Enterprise...



TODAY.



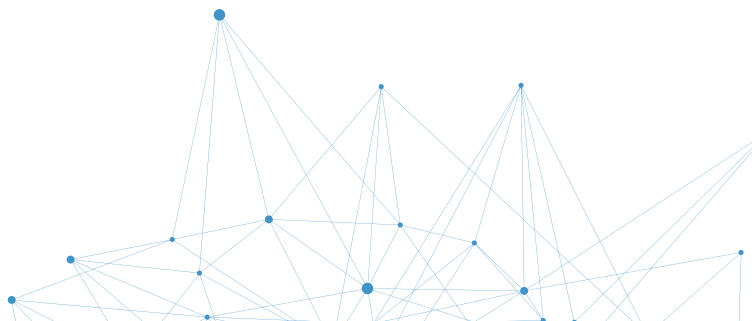
Even before COVID-19, companies operated in an uncertain world where advances in technology could render business models and traditional industries obsolete. The world-wide impact of COVID-19 and the related economic fluctuations, geopolitical tensions and social change movements have only heightened these uncertainties. In this rapidly evolving environment we need to look over the horizon to find the building blocks of a resilient, thriving digital enterprise. We need the technology, business expertise, engineering solutions, smart IP and software products – and the enormously talented and innovative people – that can help enterprises withstand current and future shocks. **We need to reimagine tomorrow's enterprise. Today.**



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Shiv Nadar

Founder HCL & Chief Strategy Officer

HCL Technologies

Dear Shareholders,

At HCL, we've always had a core mission to invent and innovate with the most advanced technologies, helping our clients become enterprises of the future and leaders in their industries. For 44 years, the essence of our company and culture has been built by the incredible people of HCL – where our many humanitarian contributions reflect our values.

Over the past six months of the COVID-19 pandemic, everyone at HCL has been working tirelessly to ensure that our employees, clients and the communities we impact are protected and safeguarded. We have been intensely focused – helping our clients reshape their businesses, helping our employees and their families ensure health and safety, working with health officials and governments in India and around the world to contain the virus and providing a helping hand to many who are less fortunate in society.

Our COVID-19 initiatives stem from a long tradition of corporate social responsibility at HCL. It is a tradition that can be seen today in our numerous initiatives to empower communities through long-term sustainable programs. Our CSR arm, the HCL Foundation, focuses particularly on raising the quality of life in rural communities by alleviating poverty, improving health and wellness, and promoting inclusive growth. This was a special year for HCL Foundation, which celebrated 5 years of HCL Grant, one of India's biggest CSR grants, which supports pathbreaking initiatives by grassroots NGOs.

Since the beginning of the pandemic, the HCL Foundation has elevated its support of the communities it supports. It has been a year like no other - with another

industry-leading year of growth for HCL taking a humble backseat to providing humanitarian support during the pandemic.

This year also marks a significant moment for me personally. My HCL journey began in 1976 when the company we know today was started from a “barsati” – a humble rooftop dwelling – in Delhi. It has been a tremendous privilege to lead HCL during the years of extraordinary growth that followed. This success would not have been possible without the unwavering support of all HCLites, our clients, partners and all of our stakeholders. As I step back as the Chairman of HCL Technologies, I do so with deep gratitude for your trust and confidence in me.

I am extremely pleased to share that Roshni Nadar Malhotra takes over as the Chairperson of HCL Technologies as of July 17, 2020. Roshni has been with HCL for many years and brings an enriched experience of learning and pioneering at HCL. She is deeply rooted in the core vision, values and philosophy of the company and is committed to leading HCL with her new ideas and dynamic thinking. Her passion for technology coupled with her vision for all-inclusive growth will surely make HCL an unparalleled success story. I wish her the best and hope that with the great leadership at HCL, we will continue to strive for excellence.

Thank you.

A handwritten signature in black ink, which appears to read 'Shiv Nadar'. The signature is fluid and cursive, with a horizontal line underneath it.

Shiv Nadar

Dear Shareholders,

I want to express my sincere gratitude to the Board of Directors of HCL for entrusting me with the role of Chairperson. It is with a deep sense of honor, gratitude and responsibility that I embark on this journey with you. I would also like to thank all of you for the unwavering support and constant encouragement that drives us to continuously achieve excellence. Our consistent industry-leading performance is testimony to our commitment to maximizing value for our shareholders.

Under the guidance of Mr. Shiv Nadar, HCL was built on the values of innovation, entrepreneurship, humanity and a people-centric culture that provide a lasting and strong foundation to carry forward and continue our mission of growth and impact. I want to assure you that, as I step into my new role as Chairperson of HCL, our strategy will continue to evolve with the ever-changing business environment while remaining true to the soul of the company.

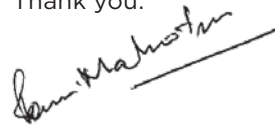
At HCL we believe in doing business with absolute integrity. It is our social responsibility to ensure that our clients, employees and communities have every advantage to succeed. It is upon us to ensure that our success is reflected in the socio-economic development of the communities we engage with. Our targeted and innovative programs under the

HCL Foundation have helped numerous rural communities by alleviating poverty and achieving health, wellness and inclusive growth. The current pandemic has only reinforced our commitment to social contributions.

With the global business environment still impacted by the pandemic, we will continue meeting the challenge by embracing our core values while adapting to meet our business and social responsibility goals. Business practices will be sustainable and growth will need to be even more inclusive. Digital transformation for our clients and within our enterprise will continue to drive our resilience. Even the metrics of success will change as we turn the corner to the post-COVID period.

On behalf of the Board of Directors I would once again like to thank all our shareholders, clients, partners and the entire HCL ecosystem for placing their trust and confidence in me. Together, we will navigate HCL through today's challenging phase. I am confident that together we will help HCL stay the course and achieve success - for the business, for employees, for clients, for communities, for the world.

Thank you.



Roshni Nadar Malhotra

Roshni Nadar Malhotra

Chairperson
HCL Technologies





C Vijayakumar

President & CEO

HCL Technologies

Dear Shareholders,

The last mile of Fiscal 2020 was a bookmark period for the entire world, as a global health crisis brought all of humanity to a virtual standstill. In those early weeks of the proliferation of COVID-19, as we all mounted our response to this unforeseen challenge, seeing HCLites rally so ardently, look out for each other, and support our customers' best interests against all odds reminded me once again why the HCL family is so special.

Landmark Fiscal

While our response to the pandemic has been a phenomenal testament to our remarkable resilience as an organization and as a family, the journey leading to that point was not any less remarkable.

As we closed the books on FY20, we emerged as the fastest growing large technology company for the fourth consecutive year with revenue and net

income growth of 17.0% and 9.3% respectively.

This momentum was led by our superior organic growth and acceleration of our Mode 2 and Mode 3

We emerged as the fastest growing large technology company for the fourth consecutive year.

revenue - that is, revenue involving next-generation technologies such as digital and analytics, IoT, cloud native and cybersecurity, as well as new IPs and products - which helped deliver strong double-digit growth across all segments, geographies and verticals. Mode 2 and Mode 3 revenues for the year made up 33% of total revenues, increasing from 28.4% in fiscal 2019.

Diversifying our Differentiation

Our unique business model is the foundation of this leadership position. To further strengthen this posture, we launched a new business unit called 'HCL Software,' which provides modernized software products to help businesses transform their environment. We acquired and tucked in select IBM products for Security, Marketing, Commerce and Digital solutions - AppScan, BigFix, Commerce, Connections, Digital Experience (Portal and Content Manager), Notes, Domino and Unica - under this BU. The business made significant strides in FY20, onboarding 2,000+ partners and concluding 13,000+ sales transactions.

We added several other capabilities to our portfolio this year. We acquired Strong-Bridge Envision, a digital transformation consulting firm; expanded our preferred professional services partnership with Broadcom to include Symantec Enterprise Division; created a separate division called ERX within our Engineering and R&D business to drive an IP-led strategy in the segment; and acquired Sankalp Semiconductor, an advanced technology design services provider in the semiconductor space.

Frontline Innovation

HCL shone the brightest, though, at the frontline. Continuing our tradition of 'ideapreneurship™,' our employees filed 29 patents in FY20, out of which 16 were granted. They also created immense value for our customers through ideation platforms like Value Portal, through which they generated 12,225 ideas with a verified value to customers of \$1.7B for the year.

The year also highlighted our 'Think Global, Act Local' philosophy, as we celebrated 20 years of our operations in Australia and New Zealand and 10 years of success in France. We also opened several new local hubs, including a CyberSecurity Fusion Center in Frisco, Texas, USA, and a new technology delivery center in Lithuania. We announced two new Global Delivery Centers, in Hartford, Connecticut, USA, and Colombo, Sri Lanka.

Today, the HCL family of 150,000+ employees is proudly diverse, representing 155 nationalities spread across 46 countries, with women constituting 26% of our workforce.

Abiding Resilience

Before I conclude this letter, I want to take a few moments to give you a wider view of our response to the pandemic, as it has truly brought to life the best of HCL.

We kicked off our extensive COVID-19 business continuity measures as early as the last week of January. Our first priority since then has been the wellbeing of our employees, 98% of whom are now working from home. We have launched a global helpline to provide timely physical and mental health support to them and have increased digital connections to keep HCLites and their families engaged during the lockdowns.

Our next most important priority has been to keep our clients' businesses running. As a first step we helped transition almost 3.5 million client users to remote working format. With several customers in Healthcare, Pharmaceuticals, Food Supply & Distribution, as well as

local governments and public utilities, we have had to handle countless new service requests. Our employees have responded ably to all such asks with agility and urgency. Thanks to their hard work and efforts, in a recent customer satisfaction

In a recent client satisfaction survey, 99% of the respondents agreed that our pandemic response has been "very effective" or "effective".

survey, 99% of the respondents agreed that our pandemic response has been "very effective" or "effective".

For supporting the communities in which we work, we have taken a pragmatic assistance approach. In the two states in India where we have our largest

operations, we donated thousands of medical equipment and PPEs and also took over the running of COVID-19 Command Centers for the Noida and Chennai administrations. We are also running a meal distribution program for some underprivileged sections in Noida. Various other community support programs are being run locally in several other countries of our operations.

Looking Ahead

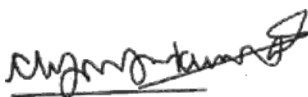
I think the future prospects for broad-based technology companies like us are stable and bright. We are seeing a number of opportunities playing out in the market. For example, digital transformation is being significantly accelerated across industries. Digital programs which were planned for completion in two to three years are now expected to close in a matter of months.

While momentum sectors such as Life Sciences and Healthcare, Online Grocery Distribution, Telecom and the Tech sector continue to create strong demand, we are also seeing impacted sectors like Retail, Auto, Travel, Hospitality, etc., starting work on redefining customer engagement to 'zero touch' interactions by leveraging conversational AI, analytics and digital innovations.

Digital transformation is being significantly accelerated across industries.

We believe we are well-positioned to capture these opportunities. Not only because we are a technology company with a very strong portfolio of relevant capabilities – such as workplace transformation, cybersecurity transformation, digital scaling and cloud migration – but more importantly because we have in our driving seat our employees, our 'ideapreneurs,' as we call them, who always think ahead of the curve, who are not afraid to place future bets and who are boldly reimagining the enterprise of tomorrow, today!

Thank you.



C Vijayakumar



*HCL Technologies Corporate Campus
Noida, Uttar Pradesh, India*

Board of Directors



TOP ROW, FROM LEFT:

Shiv Nadar
Founder HCL &
Chief Strategy Officer

Roshni Nadar Malhotra
Chairperson

Shikhar Malhotra
Director

Robin Abrams
Director

MIDDLE ROW, FROM LEFT:

R. Srinivasan
Director

Sosale Shankara Sastry
Director

Subramanian Madhavan
Director

Thomas Sieber
Director

BOTTOM ROW, FROM LEFT:

Nishi Vasudeva
Director

Deepak Kapoor
Director

Dr. Mohan Chellappa
Director

Simon England
Director



HCL Leadership Team



C Vijayakumar

President & CEO



**Prateek
Aggarwal**

Chief Financial Officer



**GH
Rao**

President

Engineering
and R&D Services (ERS)



**Rahul
Singh**

President

Financial Services



**Ajit
Kumar**

President

Applications & SI
Services Delivery



**Anand
Birje**

Senior Corporate Vice President

Digital & Analytics



**Anoop
Tiwari**

**Senior Corporate
Vice President**

Digital Process Operations



**Jagadeshwar
Gattu**

Senior Corporate Vice President

Infrastructure Delivery, Americas



**Anil
Ganjoo**

Corporate Vice President

Telecom, Media & Entertainment



**Apparao
V V**

Chief Human Resources Officer



**Ashish
Kumar Gupta**

Corporate Vice President

Europe and Africa,
Diversified Industries



**Darren
Oberst**

Corporate Vice President

HCL Software



**Hari
Sadarahalli**

Corporate Vice President
ERS, Manufacturing, Medical,
and Transportation (MMT)



**Kalyan
Kumar**

**Corporate Vice President
& Chief Technology Officer**
IT Services



**Maninder
Singh**

Corporate Vice President
CyberSecurity & GRC



**Rajeev
Nanda**

Corporate Vice President
Infrastructure Delivery,
EMEA & APAC



**Rajiv
Shesh**

Corporate Vice President
Engineering and R&D Services



**Sanjay
Gupta**

**Corporate Vice President
and Program Director**
New Vistas



**Srimathi
Shivashankar**

**Corporate Vice President
and Program Director**
New Vistas



**Sukamal
Banerjee**

Corporate Vice President
ERX and IoT WoRKS™



**Swapan
Johri**

Corporate Vice President
Asia Pacific & Middle East



**Vijay Anand
Guntur**

Corporate Vice President
ERS, HiTech and Communications



**Ajay
Bahl**

Executive Vice President
MEGA^{LT} (NORAM)



**Arthur
Filip**

Executive Vice President
Sales Transformation
& Marketing



**Kevin
Mcgee**

Executive Vice President
Chief Risk Officer



**Shrikanth
Shetty**

Executive Vice President
Life Sciences and
Healthcare, US



**Stellar Kim
Tucker**

Executive Vice President
Corporate Development &
Strategic Initiatives

Financial Highlights

In FY20, HCL continued its strong performance and had **INDUSTRY-LEADING GROWTH...**

₹ 70,676

▲ 17.0%

Revenue

₹ 11,057

▲ 9.3%

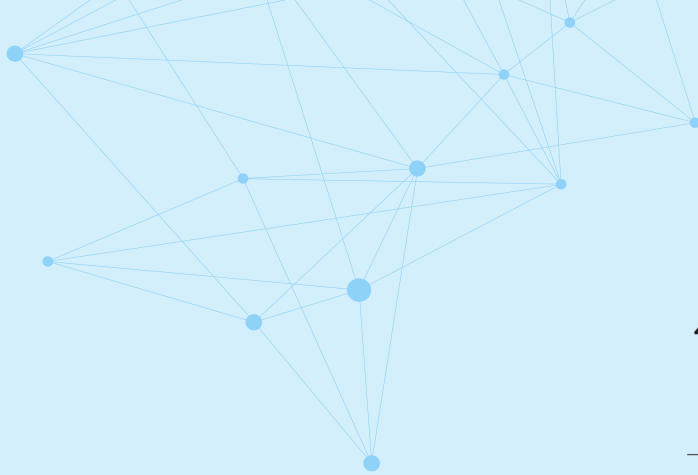
Net Income

*YOY Growth
Figures in INR Crores*

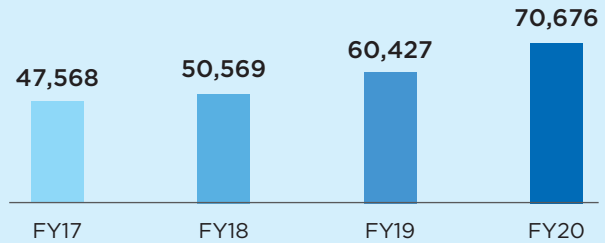


Prateek Aggarwal
Chief Financial Officer

HCL's industry-leading revenue growth, both organic and inorganic, has been achieved while we maintained stable operating margins. In FY20, our Mode 2 and Mode 3 revenue – that derived from next-generation technologies such as digital and analytics, IoT, cloud, and cybersecurity, as well as new products and platforms – accounted for one-third of our revenue. Particularly gratifying was seeing our investments in our new HCL Software business bear fruit in the last two quarters of FY20, contributing handsomely to profitability as well as to the cash generation capacity of the company.



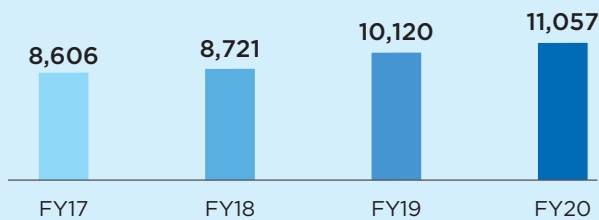
...thereby maintaining our
GROWTH MOMENTUM...



Revenue

Figures in INR Crores

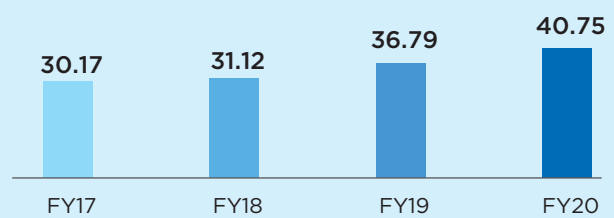
CAGR: 14.1%



Net Income

Figures in INR Crores

CAGR: 8.7%

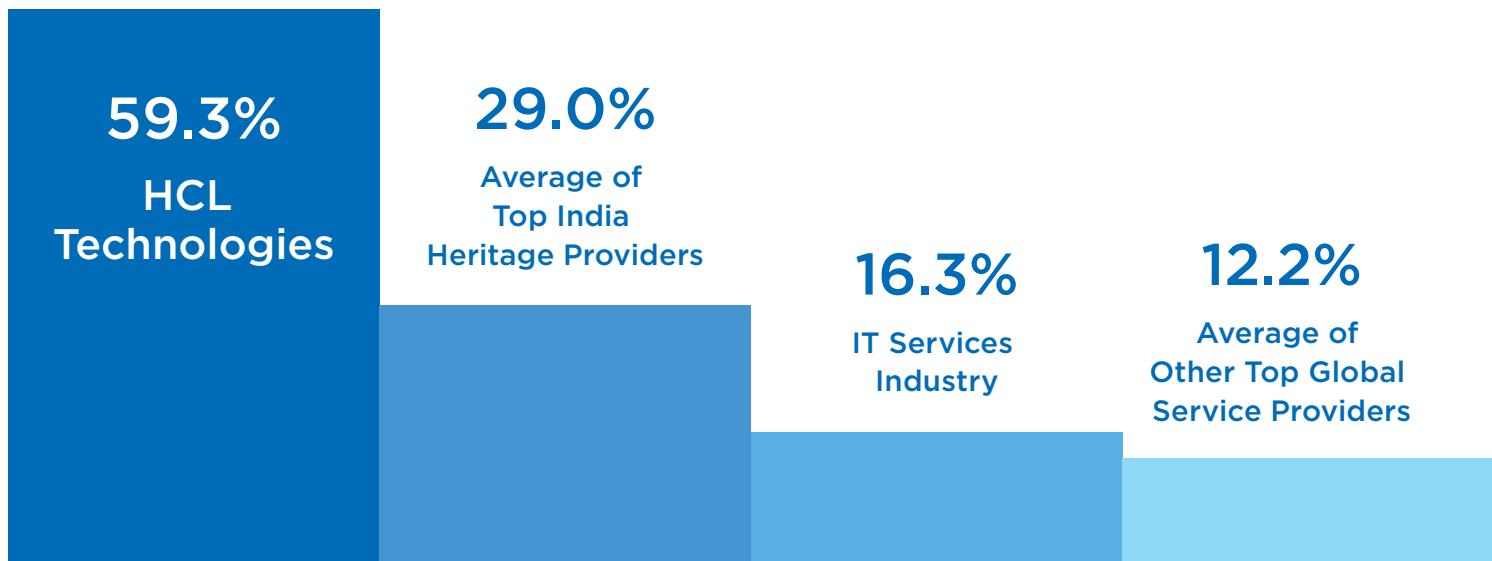


Earnings Per Share (INR)*

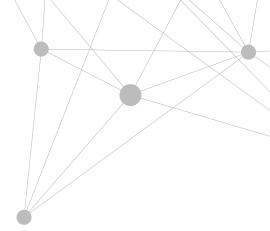
*adjusted for bonus issue

CAGR: 10.5%

...making HCL the
FASTEST GROWING LARGE TECHNOLOGY COMPANY
globally over the past four years.

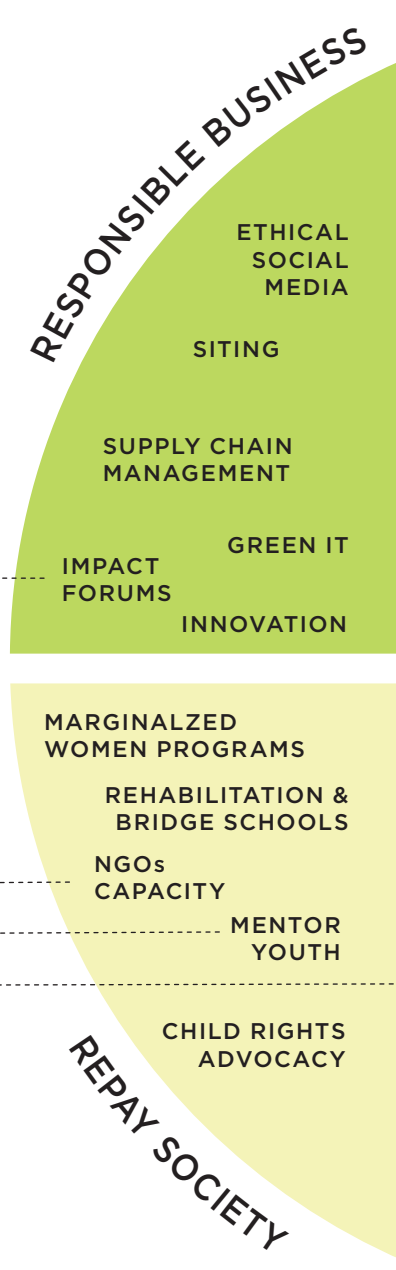


Sustainability



Creating Harmony Between Profit, People and the Planet

HCL builds sustainability principles and actions into the strategy, culture and day-to-day operations of our company. We aim to improve the lives of people around the planet, engaging our employees, clients, stakeholders and the communities we live in, to a higher purpose. We focus on areas where we can make the most difference: health, education, technology, jobs and people who are denied the benefits and access afforded by science, technology and innovation. Guided by the United Nations Sustainable Development Goals, we view sustainability in three ways – economic, social and environmental, known informally as Profit, People and the Planet.



The 2020 honorees of HCL's annual "Wavemakers" award, which recognizes champions of social causes, were announced at the World Economic forum annual meeting in Davos, Switzerland.



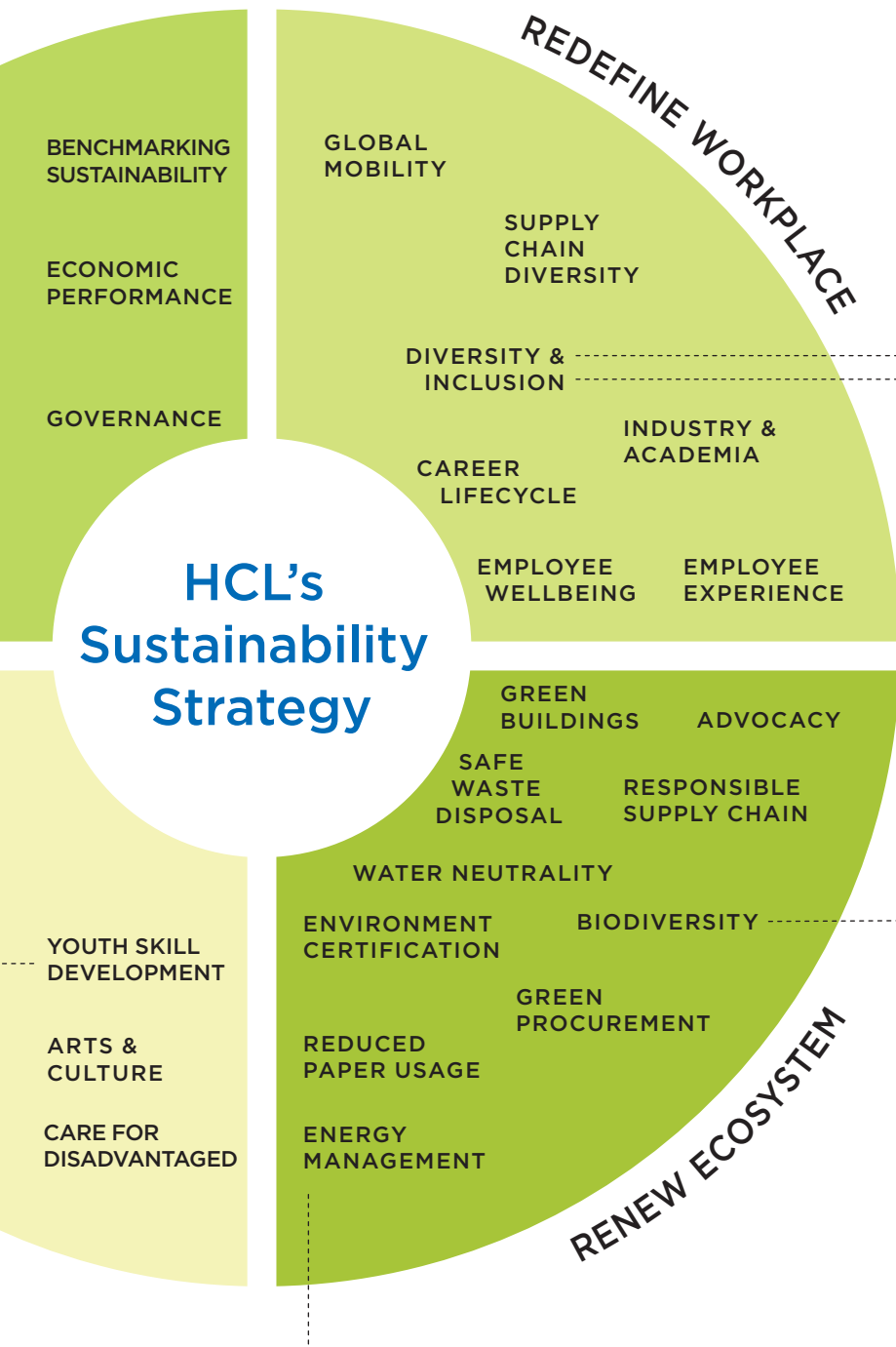
The 2020 winners of the HCL Grant, coveted institutionalized grants to non-governmental organizations in India, were among over 5,000 submissions in the Environment, Health, and Education categories.



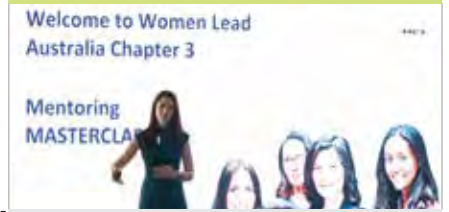
HCL UK works with The Prince's Trust helping disadvantaged youth gain digital skills through such programs as "Get Started with Technology."



In South Africa, HCL is partnering with not-for-profit Safe-Hub on a major campaign to provide digital labs for at-risk teens to help them develop computer skills.



HCL held 19 major global events on International Women's Day to strengthen its commitment to women empowerment and celebrate the contributions of women in the organization.



HCL's "Women Lead" initiative is a 1:1 mentorship program for aspiring women leaders that began in Australia and in 2020 expanded to the Nordics.

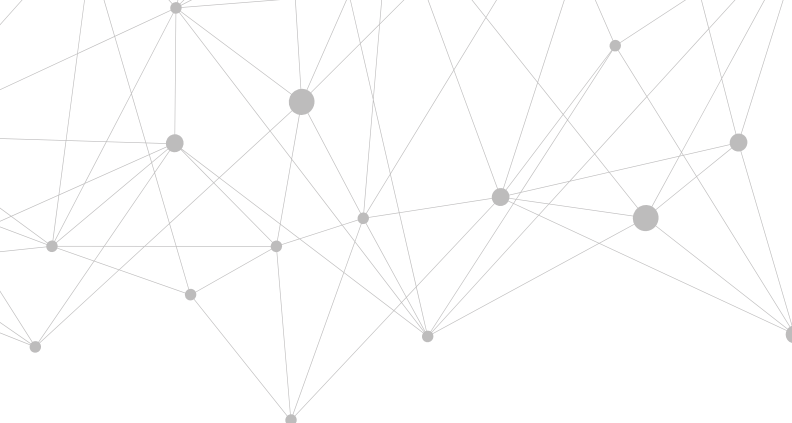


For its 43rd anniversary, the HCL Foundation organized the planting of over 4300 trees to combat climate change.



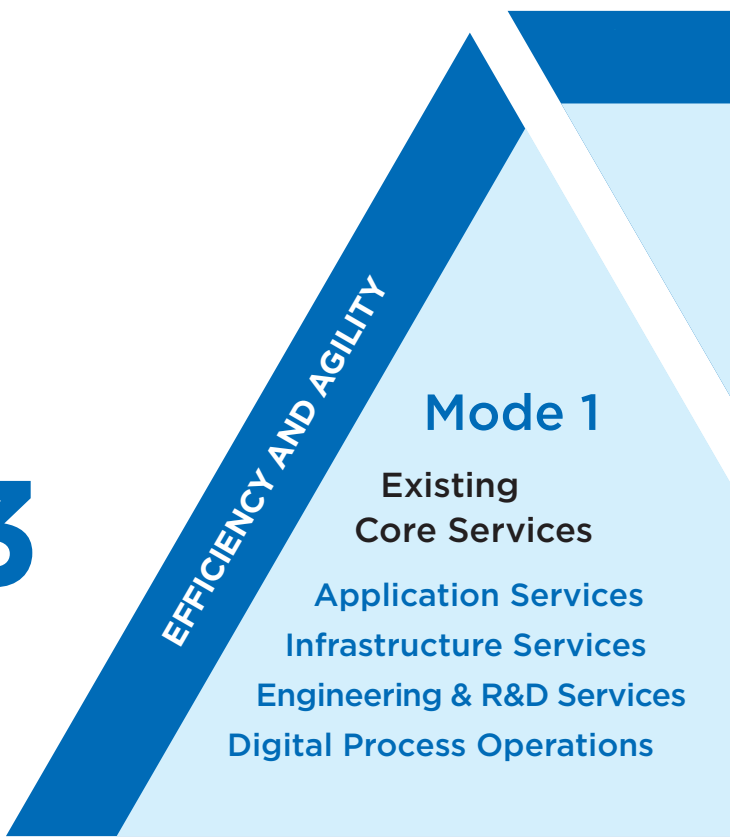
At HCL, new datacenters use low-powered blade servers and more energy-efficient uninterruptible power supplies which can use 70% less power than a legacy UPS.

HCL's sustainability priorities are based on a combination of importance to business and importance to company stakeholders. They are organized into four categories and arrayed in importance, with the highest priorities located near the core of the matrix.



Mode 1-2-3

Growth strategy for the Digital Age



Businesses across industries stand at an inflection point today led by far-reaching disruption catalyzed by technologies like Digitalization, Analytics, Cloud, IoT and Automation. To respond to these converging vectors in a structured framework, we devised our Mode 1-2-3 strategy, which has become our growth blueprint to navigate swiftly in the Digital Age.

EXPERIENCE AND INSIGHT

Mode 2

Accelerating
New Services

Digital & Analytics
IoT WoRKS™
Cloud Native
Cybersecurity & GRC

PRODUCT INNOVATIONS

Mode 3

Building New
And
Reimagining Mature
Products & Platforms

Digital Enterprise

Mode 1

The services offer our clients a leadership position and enhance the business competencies for their core business processes, products and services through the highest level of reliability and consistency through extreme automation, efficient delivery and operational agility. Mode 1 leverages the current business and IT landscape by consolidating a company's existing core and unearthing new ways to enhance that core with new technologies. These services offerings include Application Development & Management, Infrastructure Management, Engineering and Research & Development and Digital Process Operations.

Mode 2

This set of services helps enterprises advance digitally through experience-centric, insight-based, outcome-oriented integrated offerings leveraging new technologies. HCL's Mode 2 provides scaled digital transformation frameworks that help enterprise clients build robust new-age capabilities and pivot to new business models. HCL's Mode 2 offerings include Digital and Analytics, IoTWoRKS™ (Internet of Things), Cloud Native and Cybersecurity & GRC.

Mode 3

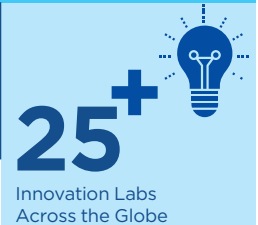
The offerings represent HCL's future vision to create innovative IP by leveraging an ecosystem model through strategic partnerships, carve-outs and co-innovation programs. Through both internal and external IP creation, Mode 3 achieves two objectives - take advantage of specific next-generation opportunities and enable our enterprise clients to be future-ready.

IT & Business Services

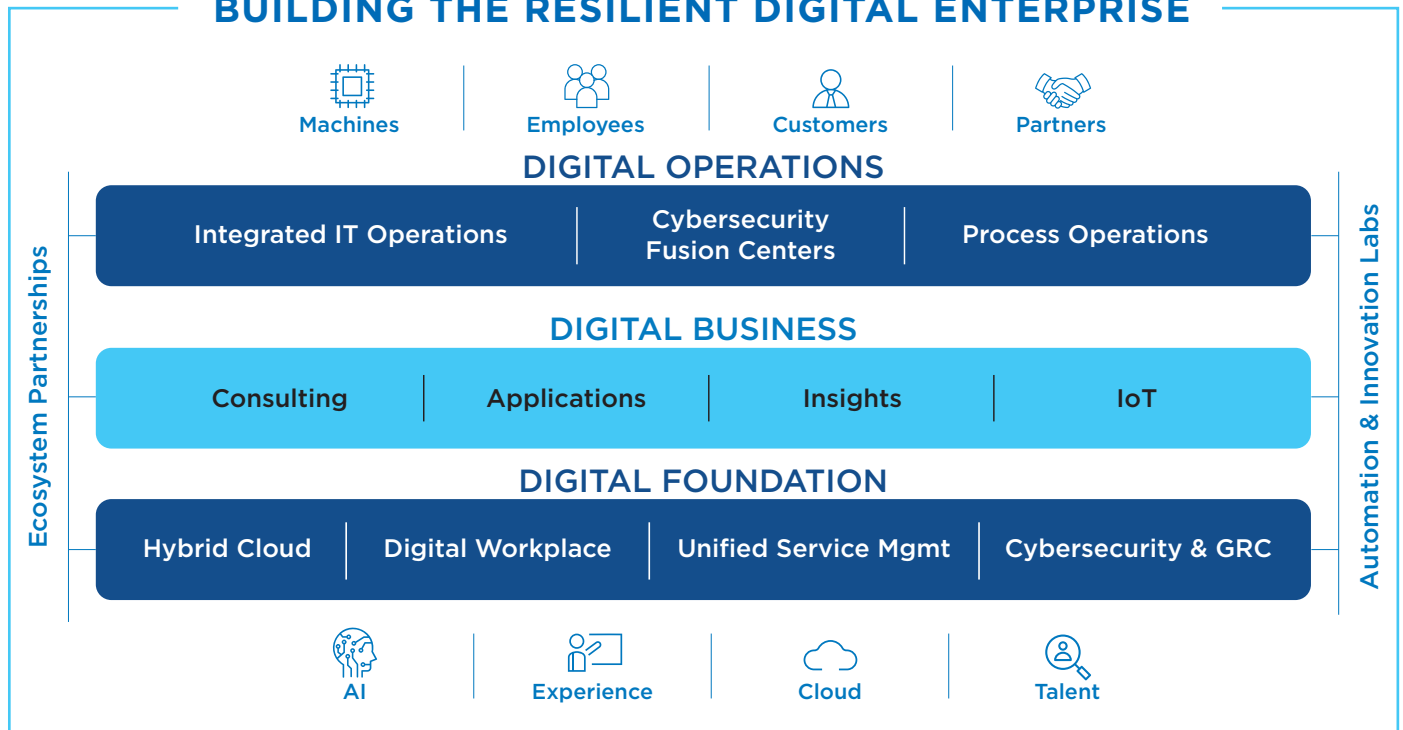
A comprehensive suite of end-to-end digital offerings to address the traditional and transformational needs of large enterprises.

“Partnering with HCL is an important component of our strategy to digitally transform our organization and drive resiliency and efficiency across the business. We are also pleased that they will be locating a global delivery center in Hartford, which will continue to add to the city’s presence as a significant digital and technology innovation hub.”

Don Allan, EVP and Chief Financial Officer
Stanley Black & Decker



BUILDING THE RESILIENT DIGITAL ENTERPRISE



Key Transformational Wins

- **A leading Europe based global financial services group:** Acceleration of Global KYC, Unite and Model Bank programs.
- **A leading European retail bank:** Design and implementation of future state operating model with Robotic Process Automation and Artificial Intelligence.
- **A global North America based mass media and information company:** Delivering Digital Workplace Services across 80 countries.
- **Retail company based in the US:** One stop shop IT outsourcing partner to provide holistic IT Infrastructure management services including Cybersecurity.
- **Integrated energy and utilities company in South Africa:** Multi-year automation-led hybrid cloud migration program.
- **New Zealand based dairy co-operative:** Modernize and manage the technology infrastructure across the globe.
- **Large US based pharmaceutical & bio tech company:** Scaled agile digital transformation for superior user experience globally.
- **Leading US based manufacturing company:** End-to-end modernization of applications and infrastructure to enable Scale Digital services.

Digital Offerings For Tomorrow's Businesses

Digital Workplace Services: End-to-end user centric solutions powered by a smart workplace model for B2E needs. We deliver future-ready "Fluid workplaces" enabling collaboration, productivity and employee experience. For a US F&B major, we transformed the end-user experience and IT operations in 1975 sites across 76 countries for 100,000+ users. This included Endpoint management, Communications and Enterprise Mobility for 100,000+ mobile devices.

Platform Transformation: We are using platform modernization, data analytics, and AI to increase customer engagement while improving regulatory compliance and fraud detection for major banks. We helped a leading European bank transition from using point solutions for operationalizing the KYC functional blocks to a modern, end-to-end Know Your Customer solution.

Data-driven Transformation: Our approach to NextGen insights comprises four key pillars: Adaptive Data Platform, Intelligent Data Management, Consumption Based Analytics and Applied AI. For a logistics firm, our AI engine proactively predicts the probability of a shipment getting delayed or returned resulting in 97% clearance success rate.

"Fonterra is pleased to be able to draw on HCL's global scale and efficiency. Additionally, this partnership will enable us to improve our cyber security framework and strengthen our critical IT foundation."

Piers Shore, Chief Information Officer, Fonterra



Hybrid Cloud Services: Secure, adaptive & (near) zero touch services based on mature frameworks, AI & automation based consumption models and supported by co-innovation labs, CoEs, strong partner ecosystem and global delivery centers. We undertook strategic cloud transformation for a US F&B major consolidating 7 data centers with 37% improvement in operational efficiency and 70% faster provisioning.

CX Transformation: Building CX platforms that drive customer delight through efficient and consistent experiences. For a European utility, we transformed digital experiences of 700,000+ customers through increased billing accuracy, customer spend predictability and reduced carbon footprint. Service costs decreased, while customer acquisition increased by 700%. Our FENIX2.0 driven Agile transformation reduced release cycles by 75%.

Dynamic Cybersecurity and GRC Services: Helps customers move from a static to a dynamic posture mitigating uncertainty by neutralizing threats and leveraging advanced analytics and ML. We offer complete services, from strategy, architecture and consulting services to system integration and managed security service. For a European Oil and Gas major, we secure 73,000+ internal users and 2Mn+ customer identities.

Digital Process Operations: 'Process-First, Technology-led Digital Operations', for AI/ML based intelligent automation & operational analytics. Our 'digitalCOLLEAGUE' fosters humans-machine co-existence, delivering superior experiences and improved ROI. For a Global Hi-Tech leader, we provide multi-tower digital global shared services for end-to-end product life cycle delivering productivity gains of over 40%.

Network Services: Our industry leading portfolio helps drive technology disruptions in SDN, SDWAN and multi-cloud network transformation, integrating programmability and network intelligence. For a large manufacturer, we deployed NetBot, decreasing MTTR by up to 70% for multi-vendor services.

"The current workforce demands a workplace that is highly collaborative, productive, and engaging. HCL helped us reimagine our workplace, empowering employees with the right set of digital tools to drive innovation and deliver a seamless experience for our employees."

Aloys Kregting, Chief Information Officer, AkzoNobel

Notable Analyst Recognitions

FY20 was another banner year for HCL in terms of analyst recognitions, as it retained and added to its leadership positions in 207 competitive evaluations:

- Positioned as a Leader in the February 2020 Gartner Magic Quadrant for Managed Workplace Services, North America and Europe*
- Positioned as a Leader in Gartner Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, North America & Europe 2020*
- Positioned as a Challenger in the April 2020 Gartner Magic Quadrant for CRM and Customer Experience Implementation Services*
- Positioned as a Leader in The Forrester Wave™: Specialized Insights Service Providers, 2020

- Positioned as a Leader in the IDC MarketScape 2020 Vendor Assessment for a) Worldwide Business and Industrial IoT Engineering, Managed Services, b) IoT Consulting and Systems Integration Services, c) Worldwide Intelligent Automation Services**
- Positioned as a Leader in Everest Group's PEAK Matrix® Assessment 2020 for a) IT Security Services, b) Talent Readiness for Next-Gen IT services, c) Application Transformation Services, d) Network Transformation, e) Managed Services, and f) Open Banking IT Services
- Positioned at No.2 in HfS Top 10: Agile Software Development, 2020







*Disclaimer: Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

**a) Doc #US46120820, Mar 2020, b) Doc #US46121220, Mar 2020, c) Doc #US44934619, Sep 2019

Engineering and R&D Services

HCL ERS partners with global enterprises in accelerating product development by leveraging the latest technologies, monetizing product services and providing immersive customer experiences.

END-TO-END ENGINEERING SERVICES

PRODUCT ENGINEERING	PLATFORM ENGINEERING	OPERATIONS TECHNOLOGY
Existing or New Product Lifecycle Services	Platform Build & Enablement Solutions Cybersecurity	Plant Engineering Manufacturing Engineering Services Asset Modernization and Industry 4.0
 EMBEDDED SOFTWARE ENGINEERING		
 HARDWARE & VLSI ENGINEERING, PROTOTYPING & LVM		
 MECHANICAL ENGINEERING		
 VERIFICATION & VALIDATION		
 PLM, PLANT AUTOMATION & MES		
 SOFTWARE ENGINEERING		

Key Transformational Wins

- **A leading US based enterprise software products company** has chosen HCL as its engineering partner for its select Enterprise products. With this partnership HCL will form integrated development and support teams to enhance implementation and maintenance capabilities of these product suites across multiple industries and geographies.
- HCL supported **a global leader in the foodservice industry** in its strategic initiatives of Digital Transformation and Controller Platform Standardization. HCL's solution for quick-serve restaurants will include equipment connectivity, cloud platform development and launch of digital applications.

- HCL has partnered with **a leading online company** in engineering a high-performance and highly scalable, customized data center hardware platform supporting billions of consumers.
- HCL has been selected by **a leading European home appliance OEM** to set up its global engineering center in India for new product development, product testing, product benchmarking, product sustenance and manufacturing.

Notable Analyst Recognitions

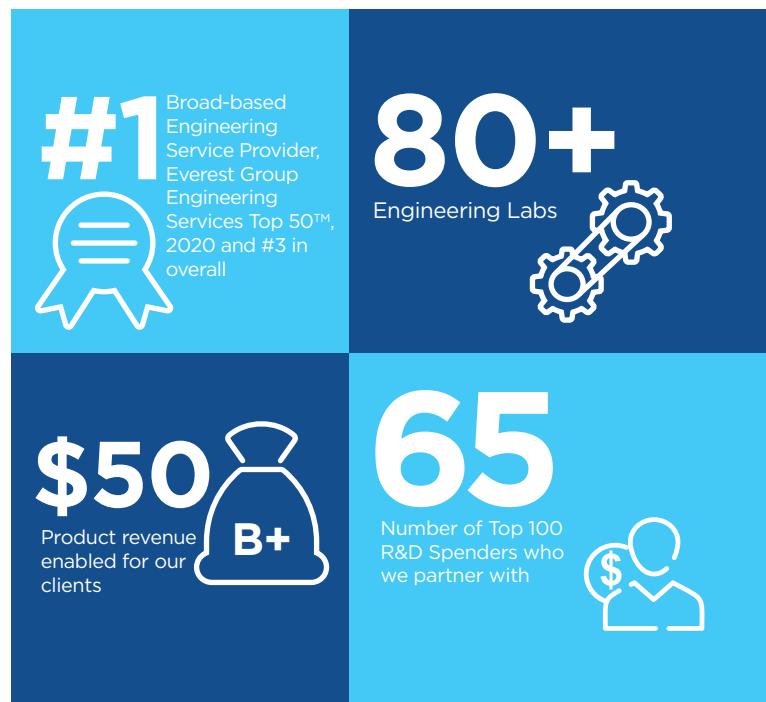
- Recognized as a Leader in Zinnov Zones 2019 for Engineering R&D Services.
- Ranked #1 in Everest Group Engineering Services Top 50™, 2020 in Broad based providers category (by revenue) and #3 in overall.

HCL has become a key partner for us throughout the entire product development lifecycle. In fact, given their capabilities, their attention to detail, their relationship-building, we feel they are part of the BD team. We're fully transparent with them, and they're fully transparent with us. HCL has a great name, a great reputation. Based on our experience, I'd say that reputation is warranted.

John DeFord
EVP and Chief Technology Officer
Becton Dickinson

Select ERS Solutions And Experiences

- **Digital Engineering:** HCL's Digital Engineering Offerings cater to the full spectrum of Product & Service transformation needs – from defining digital strategy & roadmap, to engineering secure cloud-ready smart products & platforms and maintaining highly available, scalable, up-to-date platforms.
- **Industry 4.0:** HCL's Xpand 4.0 framework enables our customers to connect, collaborate, optimize, and create value across siloed enterprise functions (Engineering, Manufacturing, Supply Chain and Aftermarket functions) to drive faster time to profit.
- **CARE™ Platform:** HCL's CARE™ platform accelerates the development of highly secure and regulatory compliant solutions for connected medical devices and patient engagement. It enables remote device monitoring and control for medical devices and provides device data visibility to patients as well as to health service professionals.
- **Accessibility Engineering:** To ensure inclusive growth, HCL's accessibility offering helps enterprises make their products and services accessible to differently abled people. Our portfolio of offerings includes Digital Accessibility Evaluation, Accessibility Design, PWD Assistive Technology Testing and Remediation Services.
- **High Performance Computing:** HCL and a leading ICT company have jointly developed a next-generation vector super computer, one of the



fastest super computers in the world. With this new technology, the partner has regained the market position in the High Performance Computing space.

- **Edge Computing:** HCL has developed a low cost customized Edge Computing system with AI platform SDK to enable distributed processing for real time video streaming analytics. Some of the use cases include suspicious activity tracking, shopping floor analytics, person tracking, 360 degree / aerial view of ATM/Vending machine, etc.
- **Virtual Reality:** HCL is enabling a fully immersive gaming experience for a customer in Virtual Reality with world leading VR titles and content. Our VR solutions are applied to connect, collaborate, acquire and learn in the areas of Training, Health, Logistics etc.

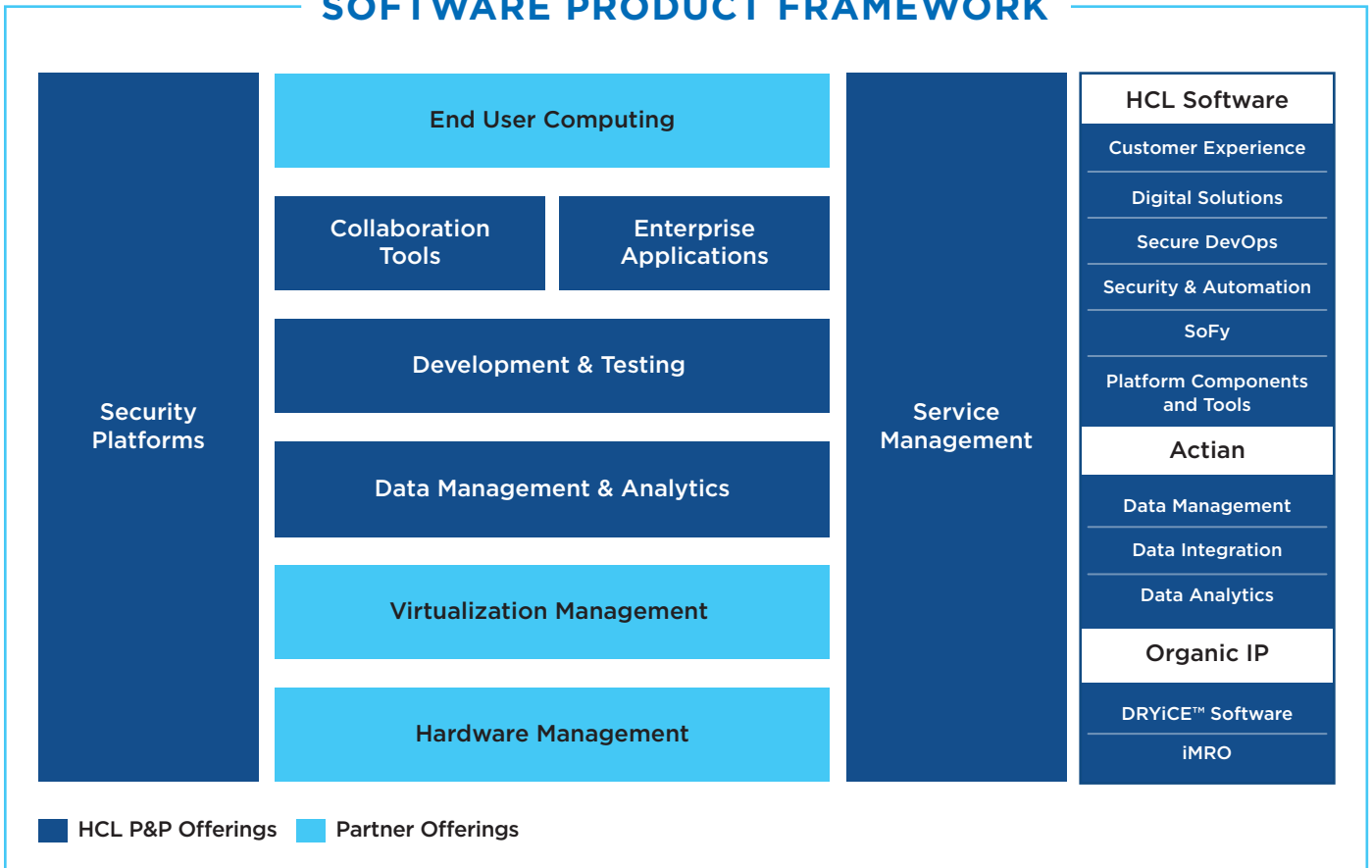
HCL's engineering heritage coupled with its ability to provide full stack services across domains has fortified its position as a leader in the Zinnov Zones ER&D 2019 ratings. Its vertical and offering led acquisitions have helped improve client reach. It's increase in software-led engineering services contracts and IoT deals have helped achieve above industry average growth.

Sidhant Rastogi
Managing Partner and Global Head
Zinnov

Products & Platforms

The Products & Platforms segment comprises the HCL Software Division, Actian software and an IP partnership with DXC, which together account for a significant part of our Mode 3 revenue. In addition, our Mode 3 portfolio of IP-led offerings includes DRYiCE™ Software, HCL's leading solution for enterprise automation and AI-based transformation initiatives (whose revenue is classified under the IT & Business Services segment) and certain IPs from our Engineering & R&D Services portfolio.

SOFTWARE PRODUCT FRAMEWORK



Key Wins

- A major **European bank chose HCL BigFix**, an endpoint management platform that enables IT Operations and Security teams to fully automate discovery, management and remediation, whether on-premises or cloud, regardless of location or connectivity.
- An **Asian Bank**, which has used Domino/Notes as enterprise wide messaging and management workflow system (Office Automation) for more than 10 years, **expanded its adoption to enhance dedicated end-user communication efficiency.**
- One of the largest banks in **Latin America renewed Digital Experience, Unica and AppScan and signed up for CSM Premium Support.**
- A **health and life insurance company based in the US** has chosen HCL to **deploy DRYiCE™ MyCloud and DRYiCE™ MyXalytics** to manage and govern their Hybrid cloud environment; and create and deliver a unified reporting and dash-boarding system.

\$1.14B
Revenue

31.5%
EBIT margin

450+
Product releases

15 Major
Product releases

Key Product Offerings

- **Customer Experience:** Unica, HCL Commerce and HCL Digital Experience.
- **Digital Solutions:** HCL Domino, HCL Domino Volt, HCL Notes, HCL Connections, HCL Sametime, HCL Verse, HCL Digital Experience and Mainframe Products.
- **Secure DevOps:** HCL AppScan, HCL Accelerate, HCL Launch, HCL OneTest, HCL Compass, HCL VersionVault and HCL RTist.
- **Security & Automation:** BigFix and HCL Workload Automation.
- **DRYiCE™ Software:** DRYiCE™ iAutomate, DRYiCE™ Lucy, DRYiCE™ OptiBot, DRYiCE™ MyCloud, DRYiCE™ MyXalytics, DRYiCE™ NetBot, DRYiCE™ Gold Blueprint, DRYiCE™ SX, DRYiCE™ ROAR, DRYiCE™ iControl.
- **Action:** Action Avalanche, Action Zen, Action DataConnect, Action X.
- **Banking and Platform Engineering IPs** for Financial Services sector

HCL's approach to AI is to provide flexibility by using a combination of technologies in its DRYiCE™ offering. Its Intelligent Virtual Assistant, Lucy, offers flexibility in interaction channels through a combination of in-house and third-party technologies.

Sarah Burnett
Executive Vice President and Distinguished Analyst
Everest Group

Notable Analyst Recognitions

- HCL ranked as Leader in Quadrant Knowledge Solutions Market Outlook: B2B Digital Commerce Platforms, 2020-2025, Worldwide, Mar 2020
- HCL ranked as Leader in Quadrant Knowledge Solutions Market Outlook: B2C Digital Commerce Platforms, 2020-2025, Worldwide, Mar 2020
- HCL positioned as a Leader in IDC MarketScape: Worldwide Artificial Intelligence Services 2019 Vendor Assessment
- HCL named as a Leader in IDC MarketScape: Worldwide Intelligent Automation Services 2019 Vendor Assessment

We have had a 3,000% increase in daily visitors to our web properties because of the unprecedented volume of citizens filing claims and seeking support in the face of COVID-19. Thanks to HCL Digital Experience, we have seen no interruption to the service we are able to provide.

Chief Information Officer
State Government of large Midwestern state

DFS has taken advantage of HCL Commerce's unique industry-leading capabilities that support the dynamic business and volume scalability that is the new normal. This allows us to react quickly by deploying functional changes with ease, while also significantly lowering our total cost of ownership.

Russ Harte
Chief Technology Officer
DFS (UK-based furniture retailer)

Leveraging Ecosystems for Breakthrough Innovation

HCL harnesses three systematically orchestrated ecosystems, which empower us not only to create special value for our clients today but also to innovate for the future.

Strategic Alliance Partner Ecosystem

With a focus on Cloud and AI, HCL drives – through strategic business units – partnerships with the world’s leading technology firms to create new and differentiated IP/solutions and accelerate the digital journeys of its clients.

HCL partners include but are not limited to:

Google | Microsoft | DELL
IBM | Intel | CISCO | Adobe
Salesforce | ServiceNow
AWS | SAP

Start-up Ecosystem

Redefining partnership paradigms, HCL cultivates a unique and innovative ecosystem – consisting of start-ups, VCs and trade missions from across the globe – that generates solutions HCL can bring to its clients. A key differentiator is HCL’s own start-up accelerator and innovation platform. This platform industrializes innovation and fosters deep collaboration among various stakeholders through a systematic and scaled approach for idea funnel management, prototyping, deployment and commercialization.

Industry Ecosystem

In line with its belief in the benefits of a collaborative world, HCL is affiliated with and contributes to numerous large industry forums and foundations. These include the World Economic Forum (WEF), The OpenGroup, Cloud Native Computing Foundation (CNCF) and CloudFoundry Foundation, among others.

FutureTech

HCL is creating and applying tomorrow's technology, today. In our leading-edge labs and delivery centers, together with our partners, we develop game-changing technology solutions to create a better world.

Rx: Quantum Computing

Quantum computing holds tremendous potential for industries and society in areas ranging from finance to drug discovery. Working with our own ecosystem of QC pioneers, we are helping clients identify and implement ways quantum computing can help them with their most pressing challenges. For example, a nanotech-enabled syringe equipped with 'smart dust' — a sensor with an integrated processor connected to the cloud — will be able to track the time and frequency of use, thereby preventing theft and unlawful diversion of prescription medication.

No-contact Car Buying Experience

We developed an augmented reality application for a leading German automobile manufacturer to provide a virtual real-car experience to potential customers, allowing them to feel what the car is like in terms of controls, gadgets, and the latest technology. The mobile app has particular relevance in a time of social distancing but has broader potential, reducing a dealer's costs and offering a conversion rate as high as 50%.

Immersive Banking

Banking is evolving and becoming 'immersive' — and soon will become 'invisible'. Customers will access banking services wherever they are.

Data will enable banks to provide recommendations and, with customers' consent, take actions on their behalf, thereby enabling a ubiquitous banking experience that is hyper-personalized, hyper-connected, and hyper-scaled.

We are fostering the immersive banking experience for global bank clients by deploying a concurrent, three-point spotlight on the existing core of a bank's business, new growth areas, as well as the ecosystems of the future.

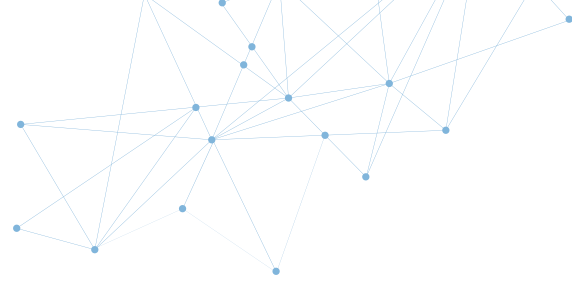
Decentralized Clinical Trials

Working with partners, we have developed an innovative solution that allows clients to conduct remote clinical trials with a core data platform and related services. This will enable customers to continue the clinical trial process in periods of social distancing or if they are unable to travel to a medical facility. The solution employs 'direct to patient' interaction technology, leveraging wearables, and home-based physiological devices.

Smart Sports

HCL's involvement with cricket — we are the technology partner of Cricket Australia — led us through our start-up innovation system to a sensor-based solution that fits onto cricketing gear and records movement during play. SmartCricket feeds the data into a cloud-based analytics engine that identifies ways to improve the player's technique and overall game. But what started as a cricket project has jumped boundaries. The solution is being explored by other sports, such as football, where a national professional football association is considering similar movement-based technology to improve players' performance.

Passion



Fueled by Our People

For 44 years, HCL's incredible business momentum and impact in society have been fueled by our people-centric culture. One of the key ingredients of that culture is a value known as ideapreneurship™ – where brilliant ideas and entrepreneurial spirit come together from all levels of the company, unleashing a special energy that runs through our 150,000+ HCLites.

This pervasive innovation culture is an honored license that allows us to reach new heights, discover new and better ways of doing things, and partner with people in a trusting way to break through challenges. Our commitment to the planet and the communities we live in is backed by the "Power of One" conviction that we can make a difference. Our commitment to our clients is embodied in deep relationships in which we go beyond our contractual obligations, our clients' expectations, and even our own assumptions about what we are able to deliver.



"Nothing compares to my experience at HCL, where I have continuous opportunities for challenging projects, always with the necessary support system."

Akiko Takei
Senior Manager | Japan

Akiko is the voice of HCL Japan, responsible for all activities related to HCL brand and business marketing for the Japan market.



"If you enjoy THRILL, HCL is the place to be! 20 fun filled years for me of having the liberty to define my own path to success... more to come!"

Abhay Chaturvedi
Senior Vice President | USA

Abhay manages the customer portfolio for the Retail and Consumer Goods business in the Americas. He has successfully created a customer community of leading brands where relationships trump contracts.



"HCL's entrepreneurial culture is fueled by highly empowered employees. You are trusted and the company will support you."

Carol Criner
Vice President | USA

As a senior business development leader, Carol collaborates with both Net-New and Client Partner teams in pursuit of new growth and stronger client relationships.



"When I joined HCL, it felt like I was meeting my family for the very first time. My ideas are welcomed and I have felt valued from day one."

Magolin Franklin
Senior Program Manager | USA

Maggi is responsible for end-to-end service delivery and transforming the operations to our next generation service delivery model for a large S/4 support engagement in the manufacturing sector for MEGA^{LT}.



"As we work during these uncertain times of COVID-19, I take pride in the fact that I work for an organization that makes it clear that its priorities are its people, its clients, and being a good global citizen."

Jeffrey Sherman
Director | USA

Jeffrey led a rapid-response mission to provide expanded endpoint protection to an HCL client whose at-home workforce jumped from 10,000 to 55,000 overnight.



"HCL's culture of providing opportunities and encouragement to employees at all levels is exceptional. My career journey with HCL is exciting and fulfilling."

Nitika Agarwal
Director | UK

Nitika employs her international industry expertise to lead finance for IoT WoRKS™ globally and alliances for the EMEA region.



"That HCL puts its employees first not only in words but also in action, something that has been evident throughout the COVID-19 situation, is truly special."

Odd Heimstad
Vice President | Norway

After having made 1,600+ parachute jumps, including one from the Half Dome in the USA's Yosemite National Park, Odd takes no chance when preparing for and running a global management consulting team across 32 countries. Careful planning and execution are his keys to success.



"Evolution of knowledge and innovation helps in shaping better mankind. HCL ideapreneurship™ is a wonderful culture which enables employees to create ideas, solutions, and value through disruptive innovation."

Prasanna Venkatesh
Group Technical Manager | India

Prasanna uplifted the spirit of ideapreneurship™ and won the coveted title of Ultimate Ideapreneur Season 4, which is the culmination of ideation platforms at HCL. He filed for multiple patents with an IP value estimated at \$130 Million.



"The trust, transparency, flexibility, and autonomy given to you at HCL is like no other. There is a connection, a glue, a common thread that is what it is to be part of the HCL family."

Regina O Keeffe
Associate General Manager | Ireland

Regina is a successful creative leader in marketing who has worked across multiple exciting technology areas as well as local and global programs such as HCL's partnership with Manchester United, global partnership on International Women's Day, and the CSR partnership with the Prince's Trust in the UK.



"I am passionate about my work and always want to push beyond my boundaries to provide a wow factor for the client. Value creation is not just an initiative for HCL. It drives client success and provides personal recognition and motivation."

Sana Husain
Specialist | India

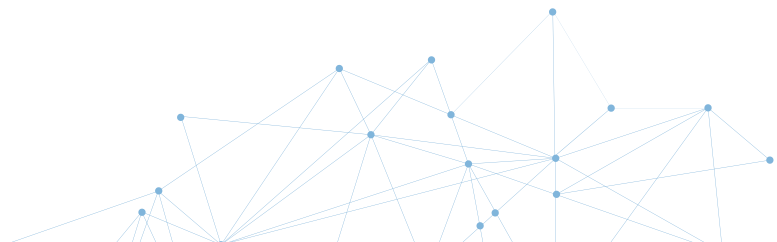
Sana took ideation to the next level when she proactively developed a solution to her client's persistent backup failures, delivering an outcome that reduced corporate risk and brought an ongoing \$202,000 cost savings solution to life for her client.



"I am constantly challenged to design and propose solutions which stand unique and differentiated among competitors. The trust and confidence extended by HCL leaders for investing in new proposals is a great motivation."

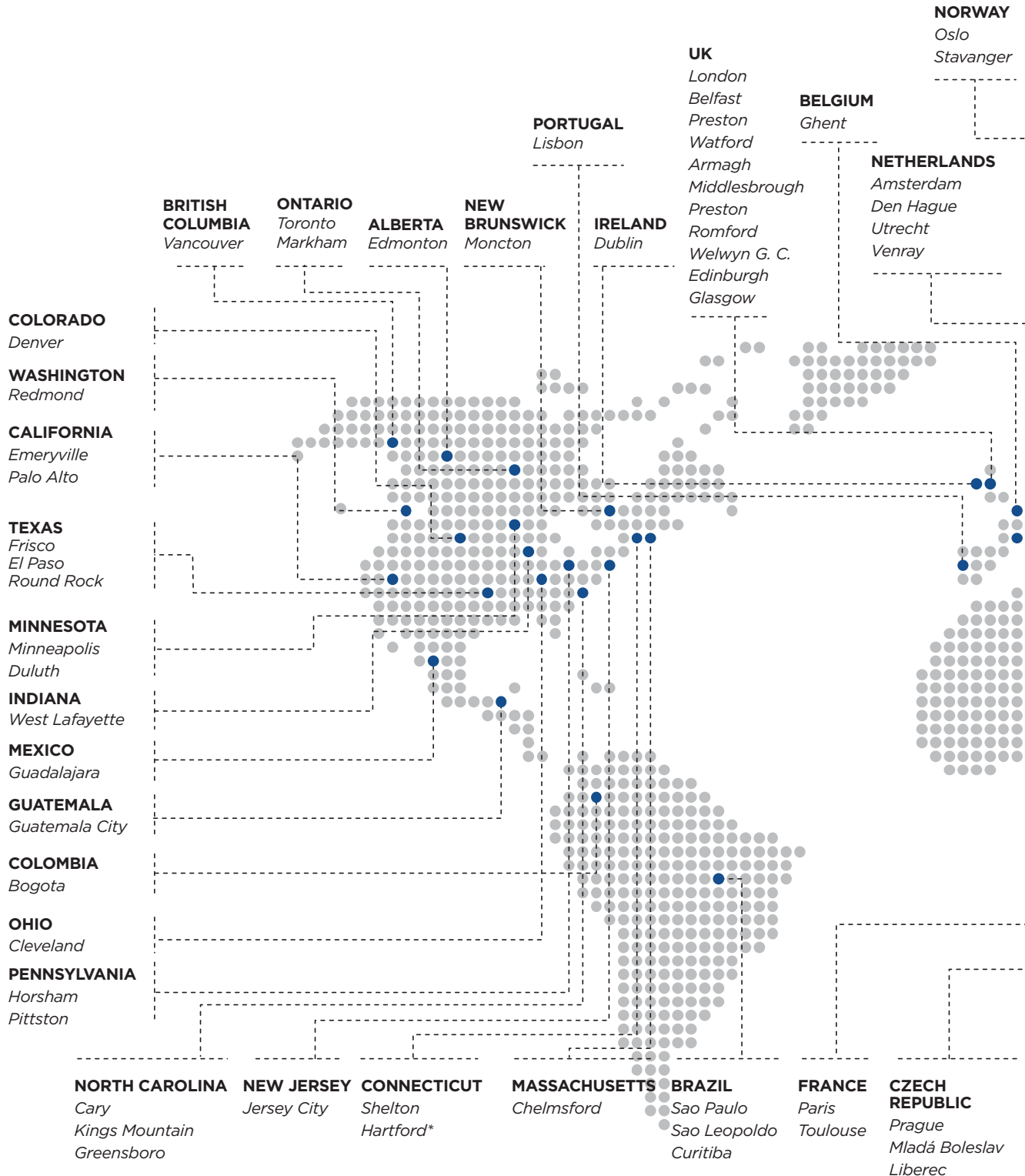
Shivaramesh Krishna
Principal Architect | India

Shivaramesh's Automated Technology Modernization Accelerator (ATMA) for the transformation of legacy apps delivered more than \$50 Million value to his clients and his idea received organization-wide recognition.

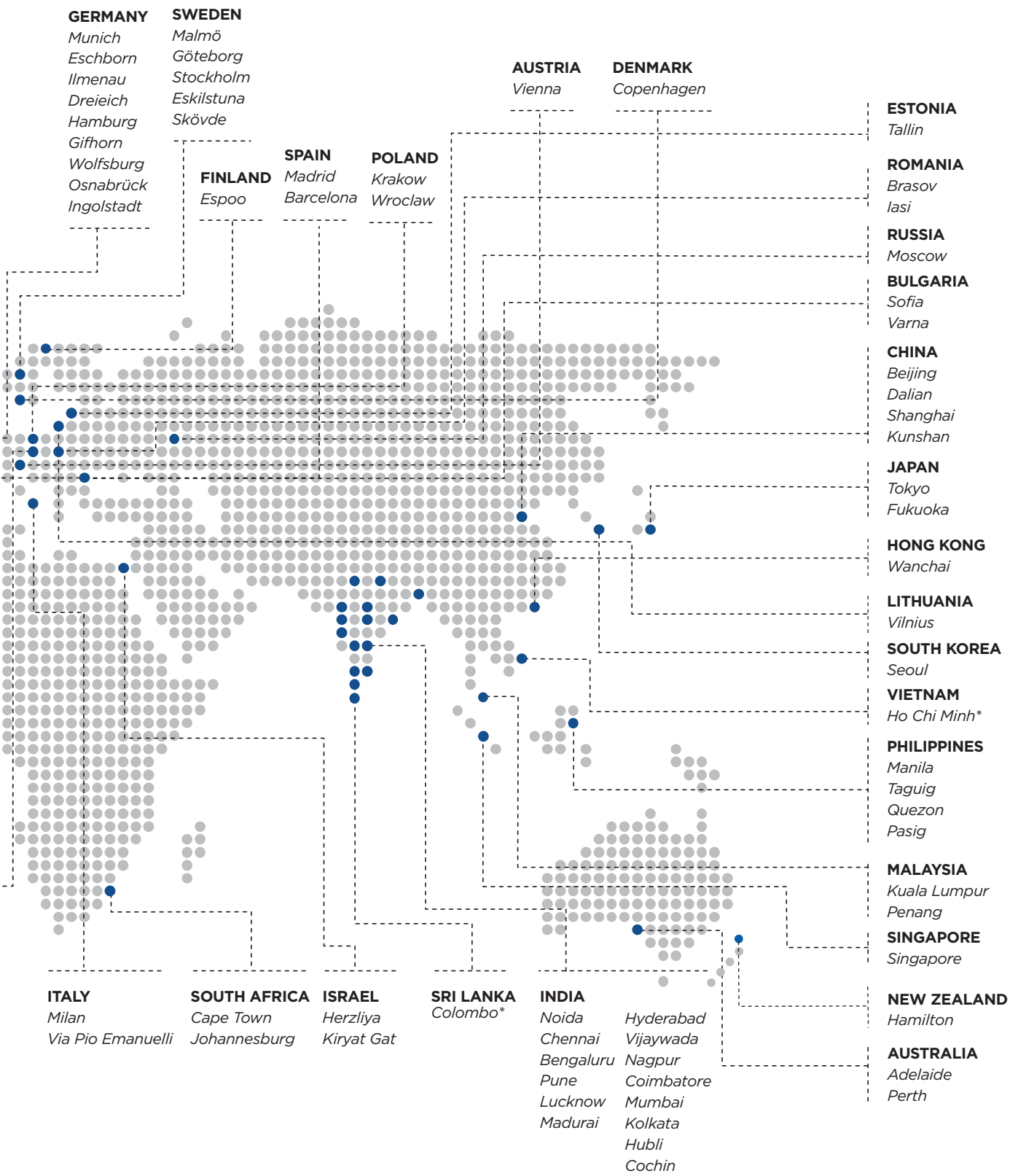


A Broad Global Reach

225 delivery centers / 58 innovation labs



* Announced in FY20 and opening in FY21

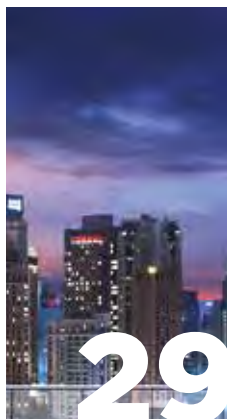


MANAGEMENT DISCUSSION AND ANALYSIS - 2020

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HCL's Mode 1-2-3 Strategy



Our Go to Market Framework



Business Segment Overview

- *IT and Business Services (ITBS)*
- *Engineering and R&D Services (ERS)*
- *Products and Platforms*



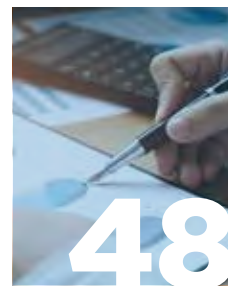
Building Our Brand to Propel Growth



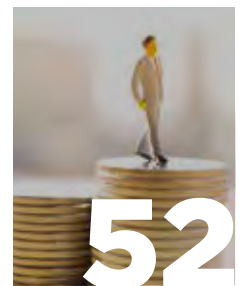
Talented People are at the Center of HCL



Corporate Social Responsibility For a Better World



Risk Management: Securing the Enterprise



Performance Trend



INDUSTRY

OVERVIEW

As digital technologies transform business models around the globe, enterprises are increasing their technology spending. Investments in digital, analytics, cloud, internet of things (IoT), cybersecurity and other emerging technologies have been growing exponentially in nearly every large enterprise.

And that growth is likely to continue. For one thing, important business concerns, such as customer experience and real-time data insights, are shifting technology discussions from the CIO's office to the boardroom. In the initial phase of digitization, the early adoption was driven by front-office transformation. Over the last few years, the enterprises have also been investing in middle-office and back-office transformation. These initiatives are delivering significant value to the enterprises and are forming the core strategy for forward looking enterprises, helping them drive significant revenue growth, improved customer experience, reduction in cost and improved operations, which in turn are generating returns on investment that justify broader business and technology transformation projects.

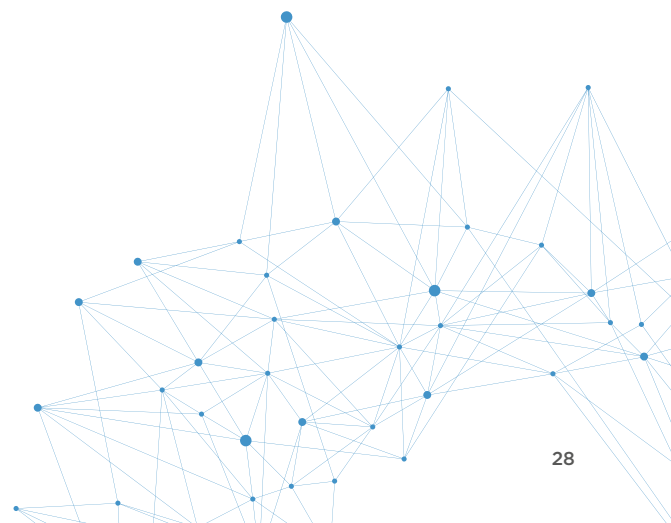
As demand for digital technologies accelerates and cost savings create opportunities to replace traditional technologies, the market for large digital transformation deals and managed services is growing. Technology services companies are investing in software products and platforms that transform them into end-to-end solution providers. They are using mergers and acquisitions to acquire digital capabilities and access into newer geographies.

There is no doubt that the COVID-19 pandemic, the resulting disruption of the world economy and the social upheavals of early 2020 have battered some industries. But the demand

for digital technology has continued to be strong. And while there have been delays in some engagements and short-term economic slowdowns, there appear to be tremendous opportunities for technology companies to grow in the medium and long term.

To capitalize on this potential, industry players have been investing in sales and delivery capabilities that will be needed in the long term. They have been increasing their presence in client geographies to improve their delivery agility and reduce their dependence on work visas. They are opening delivery centers and innovation hubs at onshore and nearshore locations.

HCL has been at the forefront of every one of these trends. Given our demonstrated ability to execute on our strategy, the next decade holds tremendous promise. Indeed, we fully expect to continue the upward trajectory that we have driven over our last four decades.





HCL'S MODE 1-2-3

STRATEGY

In a world of constant technology disruption, HCL Technologies has been successful by making great contributions to global clients' transformational journeys, fueling them with emerging technologies like cloud, artificial intelligence, data analytics and several other new technologies. HCL Technologies' unique blend of services and products enables clients to achieve this transformation guided by the framework of HCL's Mode 1-2-3 Strategy. Each of the three modes can play a role in clients' overall strategy or contribute uniquely as an independent growth strategy over the next decade.

HCL's Mode 1 offers core services in the areas of Application Services, Infrastructure Services, Engineering and Research & Development, and Digital Process Operations. Our Mode 1 offerings enable our clients to become very efficient and agile, helping them to be competitive in their industries. This is attained through extreme automation, efficient delivery and operational agility. Mode 1 looks to leverage the current business and IT landscape by consolidating a firm's existing core and unearthing new ways to enhance that core with new technologies.

HCL's Mode 2 offerings help enterprises take the next digital leap through insight-based, experience-centric and outcome-based integrated services that leverage new technologies. This is offered through specialized services using NextGen technologies such as Digital and Analytics, IoTWoRKS™ (Internet of Things), Cloud and Cybersecurity. Our Mode 2 offerings help our clients reimagine their businesses to remain relevant in the digital age.

Mode 3 offerings represent HCL's vision of creating innovative IP by leveraging an ecosystem model through strategic partnerships. Through both internal and external IP creation, HCL's Mode 3 offerings help clients target specific next-generation opportunities through scalable and ready-to-deploy products and platforms that reduce the time to become future-ready.

The Mode 1-2-3 strategy stands differentiated in the marketplace today, with our clients increasingly demonstrating their confidence in this strategy and our ability to deliver. We will continue to build and invest in our Mode 1-2-3 capabilities to be the partner of choice for our clients, globally. And we do this by continuing to re-skill, train and build the capabilities of our employees to be future-ready.

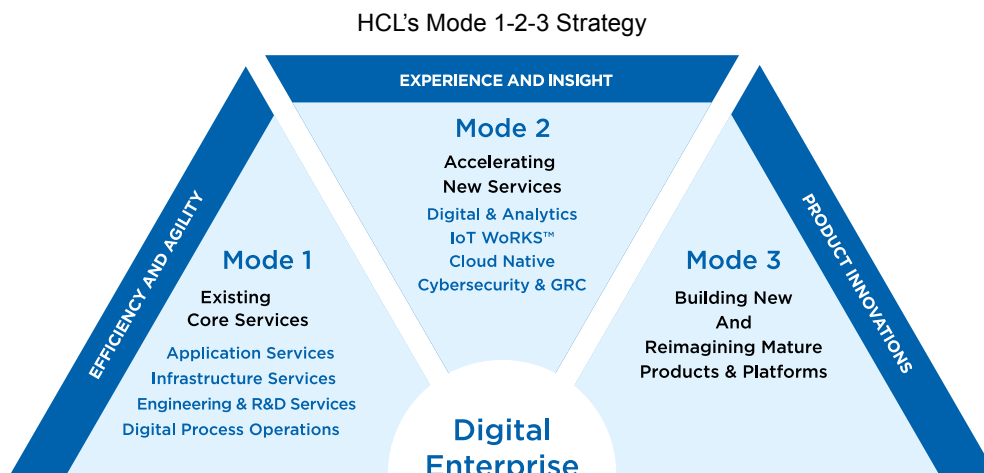


Figure: HCL's Mode 1-2-3 Strategy

OUR GO TO MARKET

FRAMEWORK



As clients are adopting new technologies at the core of their business model, HCL's service offerings, products and platforms are organized to solve the key business and technology challenges of specific industries that show a high propensity for growth and impact on the global economy.

Our vertical market-led sales organization for our IT and Business Services has contributed significantly to our industry leading financial performance over the last four years. This vertical alignment is established by building expertise through a team of industry consultants, pre-sales solution architects and industry business development leaders.

Financial Services

The Financial Services (FS) industry unit is at an exciting inflection point with technology helping redefine priorities and improve outcomes. Traditional banking and insurance organizations are accelerating their digital transformation initiatives at an unprecedented pace, propelled by the actions

of open-banking advocates, peer-to-peer fintechs and non-traditional competitors who are un-leveling the playing field.

HCL has emerged as a strong partner for financial services organizations and has become a natural choice to help address this change. Using domain proficiency and technological expertise, HCL is helping clients in adopting digital technologies to meet changing consumer behavior and setting new standards for customer experience. The impact delivered is significant and has received recognition from clients and analysts.

Our FS industry unit has been at the forefront of delivering key outcomes for enterprises worldwide, with innovations like Digital Avatar – a new mobile/iPad platform with virtual agents that has been leveraged by a US-based F200 home insurance carrier to provide a unique digital home walkthrough experience to customers. We successfully piloted an “API Hub” which integrates and standardizes account information and payment initiation APIs offered by multiple banks. This solution helps banks save time and effort and reduces the cost of building diverse API ingestion facilities.

We have implemented a multi-country digital bank for a leading European FS organization that enabled a unified customer experience across their web and mobile channels and enhanced overall customer satisfaction. HCL transformed a large US-based FS organization into a fully digitalized enterprise offering omni-channel customer experiences. With our holistic solutions coupled with a continuous focus on delivery innovation and client delight, we are ideally placed to sustain and enhance our competitive positioning in the FS Industry.

Life Sciences & Healthcare Industries (LSH)

HCL's Life Sciences and Healthcare industry unit is poised to play a primary role in digital transformations across leading health and life sciences companies. With the COVID-19 pandemic, an industry that has been historically regarded as lagging behind in adopting digital technologies will now be at its forefront. An immediate focus is on using digital technologies to alleviate the burden on hospitals, delays in clinical trials, reduction of workloads such as elective surgeries and medical testing, and the scarcity of R&D resources.

These challenges have given rise to opportunities in line with the current trend of digital transformation in LSH.

They include an increased deployment of telemedicine as doctors need to overcome lockdowns to treat their patients. Hospitals and clinics are leveraging digital technologies to monitor patient health while remote working has been more widely embraced. In addition, security is not only essential but viewed as a means to increase employee productivity.

HCL's offerings in LSH, including the new remote patient monitoring and telemedicine solutions, are ideally positioned to help businesses meet their goals holistically. Several top global Lifesciences companies and some of large payors and providers are part of our clientele in LSH, wherein we are delivering a broad spectrum of services from our portfolio, including some of requirements that are necessitated due to COVID-19. For instance, at one of our clinical trial clients, we are enabling virtual trials that leverage patient-doctor visits and digital interactions to ensure a scaled and seamless study worldwide.

Manufacturing Industries

Frequent technology advances are keeping the manufacturing industry in a continual state of disruption, requiring enterprises to reinvent themselves and the way they operate. The COVID-19 pandemic has deeply impacted the industry, with industry leaders expecting a severe resource crunch for the foreseeable future. Supply chains have been fragmented leading to breakdowns in their service delivery.

HCL's Manufacturing industry unit creates smart and scalable next-generation supply chain solutions to help manufacturing companies reshape their business strategies and convert possibilities to reality. Our innovative solutions suite enables manufacturing companies to embrace the digital world seamlessly while preserving years of investment in traditional operational systems. HCL enables the advanced capabilities needed to support new business models, provide insight-driven customer engagement, co-create through a robust partner ecosystem and by leveraging emerging technologies such as IoT, AI/ML, NLP, cognitive computing, AR and VR.

Public Services Industries

HCL's Public Services industry unit delivers critical services and key outcomes to the travel, transportation, logistics and hospitality industries (TTLH); oil and gas industries (O&G); and aerospace and defense industries (A&D). All of the companies in these industries are facing generational challenges as a result of the COVID-19 pandemic. TTLH companies are rethinking existing frameworks, processes and

systems around transport and logistics management. HCL provides solutions spanning remote work, complex upstream engineering and customer-responsive business tools for TTLH and O&G. In A&D, HCL leverages human-centered design led platforms to help companies generate exponential change in their business systems to reprioritize innovation.

Our wide-ranging expertise has delivered substantial results for global enterprises. HCL provided end-to-end, globally integrated digital field engineering services for a US-based oil & gas major backed by our digital workplace products and IP. For a European-based energy and utilities company, HCL is responsible for service management and other projects across multiple locations, deploying software products to manage their multi-cloud environment and drive intelligent automation in IT operations. We are the partner of choice for a French multinational integrated oil & gas company for managing their data centers, digital workplace and application management services.

Retail and Consumer Packaged Goods Industries (RCPG)

The last financial year has been a very successful period for our Retail and Consumer Packaged Goods (RCPG) industry unit. The impact of COVID on this segment has been quite differentiated. While some of the big box and online retailers have seen very strong demand, most of the retail enterprises have been severely impacted, leading to employee furloughs and store closures amongst concerns for employee and client safety.

Consequently, amid and post-COVID, we see four key trends emerging for RCPG. As a leading technology player, HCL has a pivotal role as each of these trends manifest across the industry as we help our client base adapt to the new normal. The first trend is low/no touch interface with the customer due to social distancing. The second trend is online selling, for which HCL's software product stack, especially Commerce and Unica, can be leveraged for rapid cloud-based rollouts. The third is a flexible and adaptive supply network, whereas the fourth trend is making costs variable to prepare for an uncertain future.

Our unique capability set has delivered key outcomes for RCPG enterprises worldwide. For instance, HCL has helped a leading food retail chain in creating an entire digital platform to enable no-contact home deliveries. For a major C-store chain, we are building a next-generation digital platform with

commerce and fulfilment capabilities, and for an F&B major, we resolved operational challenges through our IoT-enabled Smart Shelf Automation System.

Technology Industry

The technology industry today is going through a period where a confluence of policy-related, technology, and industry changes have created a foundation for upheaval and disruption – times where opportunistic strategies have offered handsome near-term rewards, where new entrants have had the potential to be the better operators, and where convergence in the ecosystem has created unprecedented opportunities for value players.

The HCL Technology industry unit services most of the leading technologies companies in the world in several ways to help them navigate the operating model disruption for the various industries they serve as well as be at the forefront of changing consumer behaviors. Our core engineering, applications and infrastructure services are complemented by the vertical capabilities to help technology companies in their business operations and strategic initiatives.

Our expertise has led to successes with leading Technology industry enterprises worldwide. For instance, we improved the overall user experience of all web and mobile properties of a leading semiconductor company and recently signed a managed services deal with a prestigious software company in the marketing and engagement platform space. Such instances validate our knowhow and fulfil our goal to meet our clients' vital requirements in every situation.

Telecom, Media and Entertainment Industries

Telecom, Media and Entertainment (TME) customers are demanding personalized, time-shift, and multi-device experience, advertisers are expecting better returns on marketing and deeper insights with a high uptake in sales, while the internal enterprise is focusing on connectivity, platforms, elasticity and security. Today, clients are focusing on growing their revenue via converged offerings and new business models with a “connected everything” approach.

The advent of key technologies like 5G, artificial intelligence, internet of things (IoT), analytics, blockchain and mixed reality (AR/VR) is driving next-generation experiences and new revenue opportunities. HCL is well positioned to leverage these

emerging technology opportunities with important capabilities at hand, demonstrated by some of these engagements. For instance, we have engineered a next-generation IPTV/ streaming platform for a fiber-based network of a large telecom firm in North America (NA), as well as a high-end imaging and AI/ML-based fraud detection solution for a leading NA-based distributor of mobile phones and devices.



BUSINESS SEGMENT

OVERVIEW

HCL Technologies has been consistently delivering industry leading performance for the past few years. Growing at a CAGR of 14.1% between FY17 and FY20, our success is driven by a robust yet simple strategy: best in class delivery capabilities, a strong innovation ecosystem and above all, the passion of our talented employees. This has resulted in not only industry-leading client satisfaction scores but also a substantial increase in our large client base. Our 100M+ client base has almost doubled between FY16 and FY20. Our focused approach driven by our Mode 1-2-3 strategy has ensured that more than 30% of our current revenue contribution comes from Mode 2 and 3.

Looking ahead, our focus will be on three broad segments: IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Products and Platforms (P&P). The re-grouping into the three business segments is designed to drive internal

synergies, unlock better collaboration and increase client focus. Our go-to-market strategy remains rooted in industry verticals or geography, tailored to the size of the market and specific nuances there and growth opportunities.

Some of the key business drivers that are helping shape our medium and long-term strategy include accelerating digital transformation, fluid digital workplace, cloud migration and consumption, Cybersecurity and Industry 4.0. This section gives an overview of our business segments.

IT and Business Services (ITBS)

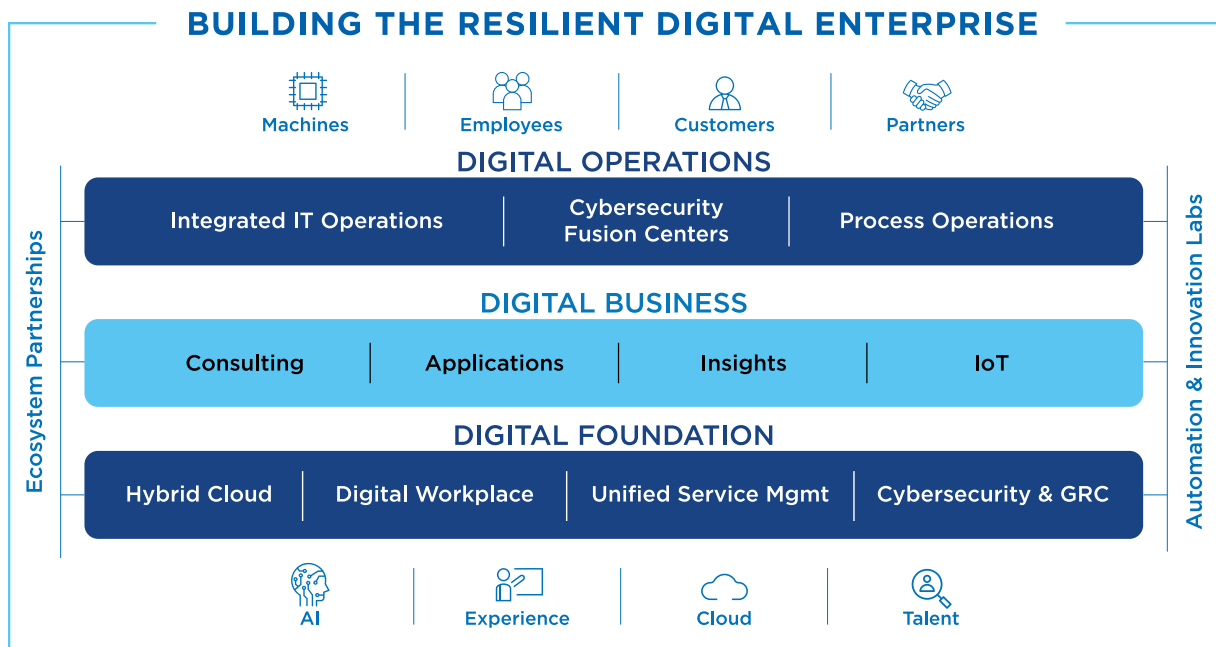
With the radical shifts in market demands over the last 12 months, we see a convergence of business opportunities in IT services. This convergence will result in either end-to-end integrated deals that combine technology and business process requirements or agile digital opportunities that start with small projects and rapidly scale up to end-to-end digital transformation engagements.

The opportunities, as indicated by industry analysts, are significant:

- **IT Infrastructure** is set to grow to \$3.4 trillion in 2020, with data center systems, IT services and communications services expected to grow by 1.5%, 5.5% and 2.1% respectively (Gartner)
- **Cybersecurity** is predicted to grow from ~ \$120 billion in 2019 to ~ \$165 billion by 2022, attaining a ~11% CAGR (Gartner, IDC)

- **Business Process Outsourcing (BPO)** is valued at \$405 billion in 2020 and is expected to grow at a CAGR of 5.1% by 2023 (various analysts)
- **Digital Technologies and Services** is expected to grow to \$2.3 trillion in 2023, achieving a five-year CAGR of 17.1% (IDC)
- **Enterprise Application Software** is expected to be \$340.6 billion by 2023, growing at a CAGR of 10.7% from 2018 (Gartner)
- **Data Warehousing Processes** (including Big Data and Business Analytics) is expected to grow from \$189.1 billion in 2019 to \$274.3 billion in 2022 (IDC)
- **IoT** spending will surpass the \$1 trillion mark in 2022 (IDC)
- **Public Cloud Services** is forecast to grow from \$227.8 billion in 2019 to \$266.4 billion in 2020, up by 17% (Gartner)
- **Cloud IT infrastructure** will reach \$100.1 billion in 2024 with a CAGR of 8.4% (IDC)
- **Digital Workplace** is predicted to reach \$44.9 billion by 2026 at a CAGR of 21.5% from 2020 to 2026 (ResearchAndMarket.com)

Our ITBS segment is strategically positioned to capture these enormous opportunities. We have a comprehensive and mature suite of end-to-end offerings to address the traditional and emerging transformational needs of large enterprises. These constitute the most comprehensive offerings in the industry and are aligned to the three critical building blocks of NextGen enterprises – Digital Foundation, Digital Business and Digital Operations.



Under these building blocks are our key capabilities and service offerings. Hybrid Cloud, Digital Workplace, Unified Service Management and Cybersecurity/Governance, Risk and Compliance are the offerings grouped under the Digital Foundation, which is the evolution of our industry leading Infrastructure services. Consulting, Applications, Insights and IoT are the offerings under Digital Business. IT Operations, Managed Cybersecurity Services (CSFC), and Process Operations are the offerings under Digital Operations. These capabilities are supported and complemented by a robust ecosystem of partners and innovation labs. They are intrinsic components of ITBS that differentiate us and visibly enhance the overall value of our service to clients.

Digital Foundation

The capabilities we offer as part of the Digital Foundation fall under what we have traditionally called Infrastructure Management Services (IMS). They are at the core of the enormous business transformation that enterprises are enabling by adopting digital technologies.

The challenges that businesses face today have led to a shift in IT strategy. The trend of remote working, the need for collaboration across ecosystems, innovation around products, the need to provide enhanced consumer experiences and the intense quest to secure digital assets have led enterprises to leverage advanced technologies like automation and artificial intelligence, real-time analytics and intelligent and adaptive security. HCL IMS enables Global 2000 enterprises and others to achieve their goals through multiple robust and scalable NextGen offerings.

Alliances and ecosystems play a key role in shaping our offerings under Digital Foundation, enabling us to develop strong practices in alternative commercial and consumption models, modernization of people skills and an operational model driven by IP and products. HCL has excelled in creating partnerships and strategic alliances with global technology vendors and niche solution providers to create joint solutions and build new IP. We have enhanced our capabilities by certifying employees in partner products.

Our **Ecosystem Partnerships** include Google, Microsoft, Cisco, AWS, Dell, IBM and SAP among others. We also have key **strategic partnerships** with such companies as Arista, Cohesity, Docker, Mesosphere, Nutanix, Pure Storage, Rubrik, Citrix, VMware, HPI, Intel, HPE and NetApp.

Within the context of Digital Foundation, we offer an array of products and services leveraging NextGen technologies:

Hybrid Cloud Service Offerings

The 'cloud first strategy' (which prioritizes cloud adoption) is giving way to a broader 'cloud smart' approach, which balances adoption to meet the unique and changing needs of an enterprise. The smart approach dictates the use of a variety of hybrid cloud environments that best service the needs of the organization. Hybrid cloud infrastructure, with its software-defined features, intelligent automation, AI-led frameworks, container and API native architectures and catalog-based consumption models provides scalability, flexibility and agility to the enterprise.

Our hybrid cloud services span the entire breadth of consulting, migration, modernization, systems integration, operations, management and consolidation. These services are powered by extreme automation and are designed for a Consume-Configure-Build approach, with customized vertical-led solutions. The application of advanced autonomies and service orchestration that leverage machine learning (ML), artificial intelligence (AI) and cognitive solutions ensures zero-touch migration and operations in an environment that is adaptive, secure, scalable, self-learning and self-healing.

Behind these offerings are HCL's co-innovation labs, dedicated Centers of Excellence (CoEs), a strong partner ecosystem and delivery centers across the globe, which give clients the means to maximize business outcomes from their cloud investments.

Digital Workplace Services

HCL Digital Workplace Services are designed to "put people first" – a key ask of forward-thinking clients who are putting employees at the center of their processes. The goal of this B2E service is to provide employees with superior experience, engagement and productivity through automation and AI-driven solutions. The resulting workplaces are dynamic, intuitive, personalized and provisioned on-time and on-demand.

Our comprehensive suite of user-centric platforms, tools and services reflects industry-leading preparedness to deliver future-ready 'fluid workplaces' powered by a Smart Workplace model. The IP-led model brings an unrelenting focus to helping employees engage with peers, collaborate from anywhere and leverage cutting-edge big data analytics and automation to elevate their productivity.

The key tenets of the Smart Workplace model are:

- Smart IT: Arming IT with real-time contextual data to deliver superior user experience at every touch point

- Smart Machines: Providing detection, correction and healing capabilities across workplace assets
- Smart User: Empowering users with solutions that require minimum intervention/zero resolution solutions
- Smart Spaces: Powering workspaces with IoT and wearables

NextGen Network Services

HCL's Network Services redefine network technology for the next decade. Our industry-leading network technology portfolio is differentiated by an IP and AI-driven orchestration layer. This layer automates NetOps 2.0 through DRYICE™ NetBot and the cognitive network assessment tool, Nlighten. Our strong position as a network service integrator is supported by a carefully considered network strategy, talent transformation for modernization and unleashing the potential of our IPs.

Unified Service Management

Service Management has expanded its realms beyond IT. Digitalization is forcing organizations to rethink their service models. The need is for on-demand service models that cater to all organizational functions – HR, Admin, etc. These trends are leading to the adoption of Unified Service Management. HCL is continuously scaling its capability to address these new opportunities for technological intervention.

We deliver Unified Service Management capabilities for a large number of clients and this is an integral part of most large outsourcing contracts. We partner with some of the world's leading Independent Software Vendors (ISV) and use a service-centric framework to replicate the principles of IT Service Management (ITSM) across all domains.

Our key strategic partnerships in this area include ServiceNow, Cherwell, Flexera and DRYICE™ Software.

Cybersecurity and GRC Services

The drivers of Industry 4.0 are centered around ubiquitous connectivity and digitalization. While new connections and technologies continue to support socio-economic progress, they also invite cyberattacks. And risks will only increase in frequency and impact. HCL's Cybersecurity and GRC Services leverages advanced analytics, AI and ML-based technologies to provide cyber defense to clients.

Cybersecurity and GRC Services is an integral part of our Mode 2 strategy, designed for organizations keen to embrace

a dynamic cybersecurity posture and mitigate uncertainty by neutralizing threats. Keeping true to the mantra – 'adapt to secure' – our Dynamic Cybersecurity framework moves from a static to a dynamic posture. In order to deal with an ever-escalating threat landscape, HCL offers a full spectrum of services that transform IT security and CISO functions from that of a gatekeeper to a business enabler.

With the limited availability of skilled security personnel, organizations need to maximize the effectiveness of their existing team. Our Cybersecurity and GRC services employ experienced and skilled personnel in multi-disciplinary teams, working across NextGen Cybersecurity Fusion Centers (CSFCs) to operationalize the complete managed security services life cycle.

Operating from over 40 locations globally, HCL's Cybersecurity and GRC Services protect some of the world's largest companies. This includes Global Delivery Centers, Emergency Response Teams (ERT) and CSFCs in Frisco, TX; Gothenburg, Sweden; Noida, Bangalore and Chennai, India.

Enterprises across the globe, including a leading American financial services group, a multinational oil and gas company headquartered in London, the world's leading auto parts manufacturing organization and a global dairy nutrition company have successfully used our Cybersecurity and GRC services.

Digital Business

Organizations worldwide are seeking to deliver superior customer experience and operational excellence. This necessitates reimagining the existing business and technology architecture to create an adaptable, nimble and modular core. The change is being driven by the proliferation of APIs, microservices, low code platforms and DevOps and by businesses substantially investing in Artificial Intelligence and Machine Learning capabilities. This has resulted in the enhanced use of analytics as a powerful means to attain business insights.

A growing number of clients are confidently using HCL's digital and analytics capabilities to drive large-scale operating model changes and modernization programs. We have moved from discrete engagements and proof of concepts to larger digital initiatives ranging from digital strategy and roadmap to full execution at global scale. The acquisition of Strong-Bridge Envision earlier in the year has strengthened

HCL's capabilities in guiding clients' digital prioritization and change management programs.

A combination of dynamic technology and industry partnerships, our thought leadership, deep domain understanding and end-to-end digital execution capabilities have enabled us to provide industry leading digital products and solutions.

Key strategic partnerships in this area include Adobe, Salesforce, Pega, Mulesoft, Denodo, TIBCO, Red Hat, Tableau, Appian, Blue Prism, Informatica, Software AG and our own Products & Platform business segment.

Digital Consulting

The digital world has people at its center. To succeed in digital transformation, businesses must focus on both technology and the people who interact with technology. HCL's Digital Consulting practice brings together decades of deep solution-based technology expertise with best-in-class consulting services. The services are global, outcome based and people-focused. We drive both transformation as well as revenue at scale by aligning technology needs with business goals, from strategy to execution.

Our key consulting services include

- a) **Digital strategy and planning.** Realizing innovative business solutions to retain and grow customers.
- b) **Industry capability definition and business process optimization.** Identifying and defining differentiated capabilities to improve performance and top line growth.
- c) **Experience strategy and design.** Designing and building enterprise-wide experiences that speak to the unmet needs of clients, employees and users.
- d) **Program and product management.** Guiding organizations from product vision and strategy to product roadmaps to development and delivery.
- e) **Agile delivery transformation.** Designing agile operating models that align delivery ecosystems to the performance between customers, capabilities and features.
- f) **Organizational agility.** Creating and executing customized plans to ensure employees have the right level of support, leadership and coaching to support change.

For a global wireless company, we removed complexity for call center representatives, thereby improving the customer experience and creating a truly differentiated way of delivering customer service, resulting in \$600M cost savings.

Applications

FY20 saw a significant change in how clients look at their enterprise applications. The focus is shifting toward newer ways of working – agility in operations and a holistic approach to automation, cost optimization and digital transformation. This shift was fueled by innovation using new technologies like digitization, application modernization, analytics, leveraging ecosystems and Software as a Service offerings and integration.

HCL is an established partner with leading enterprise application providers including SAP, Oracle and Microsoft. Our application services are comprehensive, flexible, scalable and customized to meet our client needs. In the SAP space, HCL is making both horizontal and industry IP investments to transform our clients' traditional SAP landscape, focusing on S/4 HANA®, C/4HANA, ARIBA, and the SAP Cloud Platform (SCP).

We also saw exceptional traction with our solutions in the SaaS-based CRM (Customer Relationship Management), HCM (Human Capital Management), and SCM (Supply Chain Management) spaces, with demand for the former two doubling last year. We expect this trend to continue this year.

HCL's Power Objects delivers digital transformation for clients and helps them maximize the value of their Microsoft enterprise technology investments through our technical and advisory services. Our offerings include adoption and sustainment initiatives, a proactive and highly capable support desk and co-sell-ready IP designed to extend the capabilities of Microsoft Dynamics 365 and accelerate deployments.

We strengthened our market differentiating ALT-ASM framework with NextGen digital operations addressing the changing needs of customers. We currently work with over 100 marquee names in supporting and transforming their application operations.

Artificial intelligence-led automation in application operations saw significant demand with many clients moving from pilots to production deployments of bots. We deployed over 1,000 bots in production for our clients in the last 18 months, coupled with holistic roadmaps for movement to AIOps.

HCL's Integrated DevOps Engineering services based on full stack engineers is increasing traction across industries and delivering key outcomes in ASM services for global enterprises. These include a banking and financial group, a Fortune 500 delivery services firm and a major railroad company.

As a response to COVID-19, all ASM engagements providing 24x7 support to global companies seamlessly transitioned to their backup business continuity plans, ensuring zero impact to clients' business and service levels. Our focus continues to remain on creating agile work environments, reducing dependencies on third-party contracts and delivering more from offshore and nearshore locations.

Insights

We take a platform-based approach to providing NextGen insights to our clients. This is augmented by strong industry-aligned solutions and acquisitions-based capability building. Our approach for delivering data driven experience and insights consists of four key pillars:

- a) **Adaptive Data Platform:** A "data first" approach to transform existing data platforms into a future-ready responsive data platform, capable of delivering real-time intelligence.
- b) **Intelligent Data Management:** Decouples the underlying storage ecosystem from data management aspects and focuses on ethical data governance, self-healing data quality, universal metadata management, automated data lifecycle management and master data management.
- c) **Consumption Based Analytics:** For 'Uberized' insights delivery enabled through a functionally or divisionally organized catalog of all data and analytics assets to promote collaboration, reuse, self-service infusing predictability and transparency in analytics services.
- d) **Applied AI:** Delivering AI solutions that are driven by Human Centricity, Design Thinking and experimentation @ scale.

A number of enterprises across the globe have successfully deployed our insights platforms. For instance, our Data Science suite is used to understand customer behavior better and drive predictive analytics. This has maximized the potential revenue streams for a large North American fast food and convenience store client while improving customer experience. In another instance, we deployed our AI and ML-based solutions to reduce global shipment times for a large logistics client, increasing their customer retention and enabling them to capture additional market share.

IoT WoRKS™

IoT has large-scale use cases in both the consumer and enterprise segments, especially in asset-heavy industries such as manufacturing, life sciences and healthcare (LSH), transportation, and energy and utilities (E&U).

IoT WoRKS™, a dedicated IoT unit of HCL Technologies, targets organizations that want to maximize effectiveness and improve return on asset investments through best-in-class IoT-driven solutions. These solutions help our clients to transform their businesses by creating more efficient processes, new revenue streams and models that deliver measurable business outcomes.

IoT WoRKS™ uses IP to differentiate itself. These include a Decentralized Trial Solution for life sciences and healthcare; a mature solutions portfolio with close to 40 solutions; and an end-to-end Define, Build, and Run framework across all service offerings. These are combined with a best-in-class delivery ecosystem that uses modern methodologies such as rapid prototyping, an in-house innovation initiative, vibration analysis for predictive maintenance and radar technology for football analytics. A host of surround capabilities and services complete the offering: IoT COLLAB™, a space to co-create an IoT-led transformation roadmap with our clients, and an immersive, intensive, customer-centered Innovation-by-Design framework.

IoT WoRKS™ has launched new solutions over the past year to deliver augmented insights and outcomes to our clients. For instance, a grocery store chain based in North America used our Real-time In-store Insights (RII) Solution to revamp their shopping experience. We uniquely adapted the IoT WoRKS™ IATM solution for an American medical devices company to sense, alert and help prevent leakage in medical devices with a high value and a low shelf life. IoT WoRKS™ also provided its expertise on predictive analytics and asset management modeling for a large utilities company based in the UK.

Digital Operations

Operations determine how strategy and technology work together seamlessly and securely to deliver maximum value across the functions. From product development, planning, sourcing, manufacturing and warehousing to logistics and services, all functions internally and externally must work in unison. The operations ecosystem must have the requisite capabilities, partnerships, technology and plan to propel efficiency and effectiveness. HCL's Digital Operations building blocks of Integrated IT Operations (IIOPS), Cybersecurity Fusion Centers (CSFC) and Process Operations focus on digitizing and integrating processes across the enterprise, ensuring they stay in harmony.

Integrated IT Operations (IIOPS)

Integrated IT Ops (IIOPS) is a new hybrid operating model. Based on the pillars of the AIOPS approach, cross-skilled teams, operations best practices and cultural transformation, it provides a combined approach of classic Ops Models (ICC, DCOps, AppOps, NetOps) and evolving Ops Models (CloudOps, DevSecOps, SRE/PRE & FinOps). The hybrid model leverages a common foundational approach of Autonomics and Unified Service Management across ITIL/IT4IT/SAFe Agile models.

HCL is pioneering the concept of IIOPS, defining new frontiers in this field to enhance delivery and operational experiences for our clients. We bring in pragmatic automation through lean, HCL's DRYiCE automation and orchestration tools and simplified processes that drive extreme efficiency and agility into IT operations. We also partner with some of the world's leading Independent Software Vendors (ISV) to deliver continuous service assurance for their digital transformation.

Our key strategic partnerships include Moogsoft, Dynatrace, Splunk and our own DRYiCE™ Software division.

Cyber Security Fusion Centers (CSFC)

Through a combination of an expert team, advanced security analytics, leading threat intelligence and mature process automation, Cybersecurity Fusion Centers (CSFCs) integrate the capabilities of Intelligent Security Orchestration, Automation and Response. Intelligent Orchestration takes a complex and disparate environment of products and processes and weaves them together into a robust system to guide analysts to a fast and effective resolution. Our CSFCs leverage the data collected from the comprehensive IT stack to deliver proactive threat monitoring and comprehensive protection. This helps the security teams share information and collaborate closely with clients and heighten their operational security posture so that they are prepared on time every time for any eventual incident. We have 6 CSFCs, strategically located in Texas (US), Gothenburg (Sweden) and Noida, Bangalore and Chennai (India).

Process Operations

Changing business environments and stressful market conditions are forcing even the most established enterprises into transforming quickly. Evolving customer expectations are disrupting the traditional cost/labor arbitrage of business process outsourcing (BPO) services. Legacy processes are being streamlined through innovative process-centric methodologies to make them more standardized, agile and lean. Enterprises

are doing this with one eye on cost reduction and compliance/risk management and the other on providing sustained profitable growth and superior customer experiences.

HCL Digital Process Operations (DPO) made an early prediction of this inflection point helping us to radically shift our business model from cost arbitrage-based outsourcing to 'Process-First, Technology-led Digital Operations'. Our strategy around digital operations is a tiered digital operations pyramid focusing on three broad stacks – process architecture, technology architecture and experience architecture. These stacks determine the velocity and magnitude of business success an organization achieves.

Process architecture sits in the middle stack, enabling process transformation using our proprietary process engineering and orchestration tools. Technology architecture lies at the bottom leveraging the underlying technology landscape enabled by autonomics. Experience architecture forms the top of the stack, where domain-led, technology-enabled knowledge workers create a digital workforce to amplify customer experience.

The COVID-19 pandemic has further led to fundamental changes in business models across industries, characterized by new avenues of customer engagement, supply chain resilience, adjacent products/services, alternate fulfillment models and remote workforce management. There is an urgent need to reimagine operations through a human-centric approach that can accelerate human and machine collaboration. To collaborate with human ingenuity, we introduced our newest solution, a fully digital co-worker called '**digitalCOLLEAGUE**'. The '**digitalCOLLEAGUE**' framework is designed to work alongside a human workforce in the form of chatbots, intelligent analytics for next best action, robotic process automation and insight-driven dashboards. This human-machine collaboration increases top-line growth, capital productivity, cost efficiency, operational effectiveness, customer satisfaction and return on asset investment. It also works as a strong incentive for millennials, who want workplaces that improve productivity, to consider HCL as an employer of choice.

DPO provides technology-led digital operations services to over 100 clients across industries including many Fortune 500/Global 2000 organizations. With state-of-the-art delivery centers across India, Europe, Ireland, Latin America, Philippines, the US and the UK, HCL DPO leverages its Integrated Global Delivery Model (IGDM) to provide clients with best-in-class services.

HCL has partnerships with leading product organizations centered on building NextGen automation services.

These partnerships enable HCL clients to move faster with innovations in their highly competitive businesses which are being re-defined by a new era in IT solutions.

Key Strategic Partnerships include UiPath, AA, and Blueprism.

Engineering and R&D Services (ERS)

Engineering and R&D Services primarily include services across the product lifecycle – from conceptualization, design, engineering and sustenance to new product introduction across varied products and platforms. The advent of new technologies like 5G, AI/ML, Edge Computing, Blockchain, IoT, AR/VR, Cloud and 3D printing has revolutionized the ways in which products are being designed, manufactured and serviced.

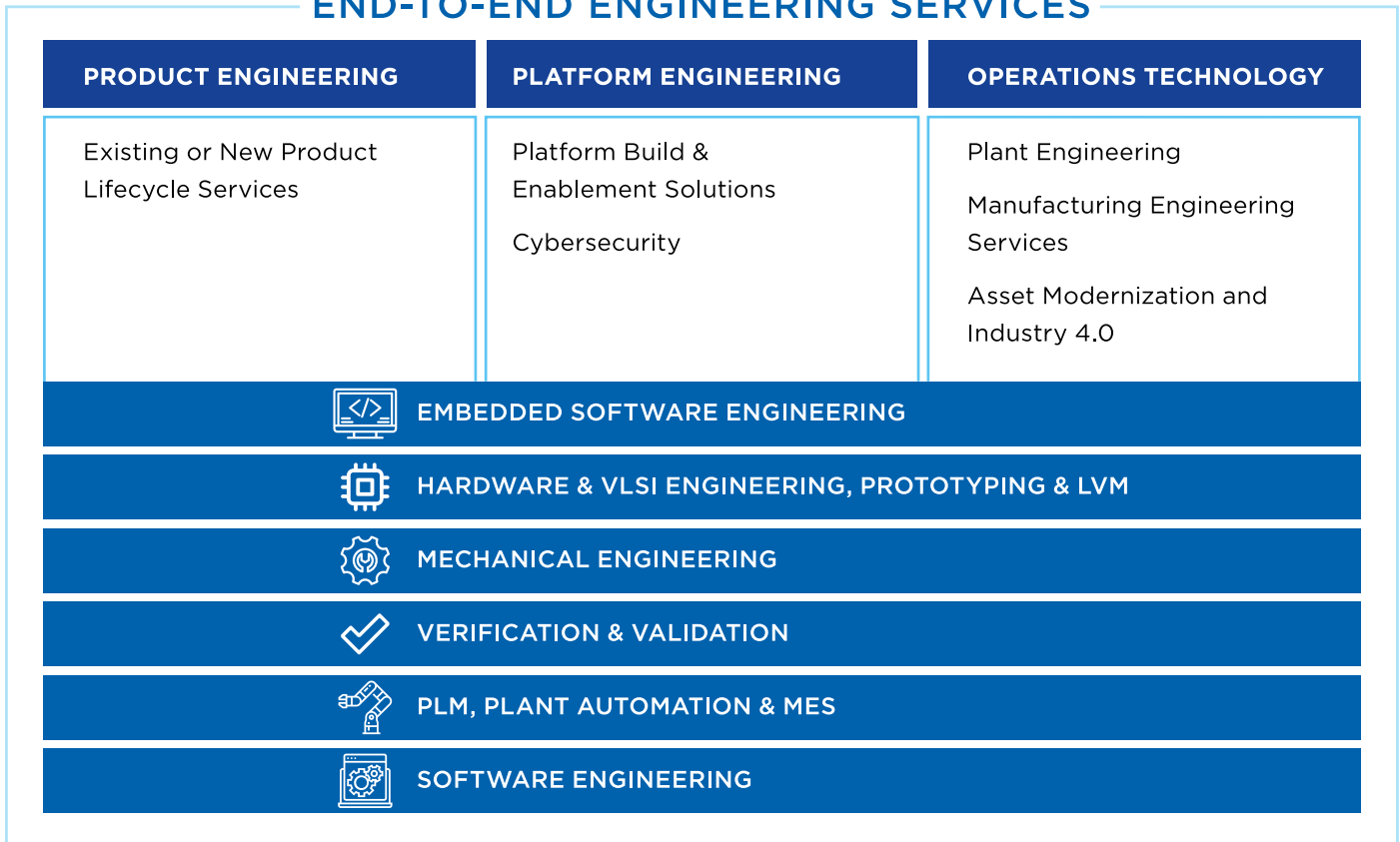
Digital Engineering, which leverages these technologies to build connected, smart and intelligent products, is driving the next phase of growth for the sector. Key digital themes driving the digital engineering spend include Connected Design, Connected Plant and Connected Products & Services. It also includes collaboration with the ecosystem and offering as-a-service model to create world class consumer experiences.

Key factors driving enterprises' focus on digital engineering include changing customer preferences, growing competition, pressure on margins, products becoming commodities and a reduction in product lifecycles. To address these challenges, companies are investing in digital engineering and building Smart Products. They are also looking at upgrading their manufacturing set-up to enable Smart Manufacturing. Benefits of digital engineering include higher efficiency, better throughput, delivering competitive advantage and improved customer experience.

According to NASSCOM, global ER&D spend reached \$780 billion in 2019 with 5.4% YoY growth. It is set to reach \$ 1,075 billion in 2025. Of this, digital engineering spend is going to account for 36% of overall ER&D spend.

HCL's Engineering and R&D Services (ERS) division provides Product Engineering, Platform Engineering and Operational Technology services to 65 of the Top 100 R&D spenders across 9 industries. HCL's **Product Engineering Services** portfolio primarily focuses on designing products aligned to changing client preferences and deploying the latest tools and technologies. **Platform Engineering Services** cover end-to-end platform ideation, build, modernization and

END-TO-END ENGINEERING SERVICES



support services, and also includes platform monetization to help create new revenue streams. **Operational Technology Services** covers plant engineering and manufacturing operations services to ensure improved factory output. We have a number of service propositions to help our clients in these three broad areas.

HCL's ERS is ranked by Everest Group among the Top 3 global engineering service providers (ESPs) and is ranked as the No. 1 broad-based ESP in the world. HCL's leadership position is recognized by all the leading research and consulting firms in their various competitive benchmarking reports. With our product engineering DNA and over four decades of experience in developing world class products, HCL ERS is uniquely positioned to help our clients in their product transformation journey towards digital. Engineering transformation is a continuous journey where the focus is on time-to-profit and time-to-market. We help our clients accelerate time-to-profit by complementing their R&D efforts and focusing on release activities, bringing in aspects of sales, deployment and monetization upfront into the design. This attention to time-to-market and time-to-profit ultimately maximizes return on innovation. We have partnered with our clients across the globe to launch 1,000+ products and create \$50 B+ revenue.

Today, HCL ERS proudly partners with over 330 global enterprises and has long standing relationships with 90% of our top 20 clients. Our unique differentiation is our solution-led, technology-driven and implementation-focused approach. ERS has a strong innovation culture, resulting in IP and strategic innovations, building on that culture by leveraging alliances, startups and key academic research for co-creation and co-innovation with clients. HCL's solution-led approach, with a portfolio of 50+ solutions, helps clients accelerate development and monetize services. HCL's investments in over 80 engineering labs (for example, environmental compliance, certification and benchmarking) and Centers of Excellence (in niche areas such as high-performance computing, automation, imaging, big data and analytics, Industry 4.0, IoT, 5G, Robotics and others) have resulted in an ecosystem of comprehensive engineering services from concept to profit for our clients across domains.

As traditional industry boundaries are vanishing, companies are increasingly investing in digital engineering to drive competitive advantage, improve time to market, enter new markets and improve customer experiences. Best practices are being leveraged from unrelated industries. For example, in the automotive sector many other industries are

converging with significant investments being made by many technology companies.

5G is another technology which is impacting every industry. 4G to 5G is the next big leap in communications technology, promising superfast speed, massive machine-type communication, energy savings and ultra-reliable low latency communication. 5G is a key enabler for a smart and connected world, with a number of use cases around connected and autonomous vehicles, telemedicine, smart factories, smart cities and OTT streaming. HCL has invested in building various solutions to leverage 5G and foster innovation capabilities.

Operational technologies are also seeing a significant change with the adoption of new initiatives and technologies such as IoT, AR/VR, Industry 4.0, factory of the future and predictive maintenance. In the connected world, digital thread and digital twins are gaining momentum to address challenges related to collaboration and optimization of resources. Enterprises are exploring avenues to integrate siloed functions (such as Innovation, Engineering, Manufacturing, Supply Chain, Procurement, Suppliers, After Sales) to improve collaboration and overall improve the performance. Softwarization is another theme which is driving significant investments in industries such as telecom, ISV and healthcare.

Global enterprises are increasingly looking at partners like HCL ERS for scale and domain knowledge as well as best practices from other industries. Given the ever-increasing uncertainty in the market, there is increasing demand for outcome-based pricing and risk-sharing business models. HCL is known for its client-centric engagement models, in which it becomes a partner in our clients' transformation journey. Apart from owning the complete product engineering responsibility for selected products, HCL also goes the extra mile to jointly take products to market.

Products and Platforms

Our Products & Platforms segment comprises the HCL Software Division, Action software, and an IP partnership with DXC, which together account for a significant part of our Mode 3 revenue. In addition, our Mode 3 portfolio of IP-led offerings includes DRYiCE™ Software, HCL's leading solution for enterprise automation and AI-based transformation initiatives, and certain IPs from our Engineering & R&D Services portfolio. (These will be discussed here, although their revenue is classified under the ITBS and ERS segments, respectively.). Products and Platforms segment has grown significantly over the last few years through a combination of organic and inorganic growth initiatives.

HCL Software Division

Introduced in 2019 to operate HCL Technologies' primary enterprise software product business, HCL Software focuses on growing underserved markets which have a tremendous opportunity for innovation. HCL Software develops, markets, sells and supports more than 20 product families in the areas of:

- Client Experience – For delivering impactful client journeys
- Digital Solutions – For enterprise digitalization and productivity
- DevSecOps – For developing operations and security tools
- Automation/Security – For secure automation and unified end-point management

We operate in key segments of the large market for enterprise software. The worldwide low-code development platform market size, which includes our Domino offering, is expected to grow to \$27.23 billion by 2022, at a CAGR of 44.49%. The market for unified endpoint management, which concerns our BigFix offering, is expected to grow from \$1.43 billion in 2017 to \$9.67 billion by 2023, at a CAGR of 37.48%. Through 2022, the Application Security Testing market, which includes our AppScan product, is projected to have a CAGR of 10%. This continues to be a fast-growing segment in the information security space, which is expected to grow at a five-year CAGR of 9%.

HCL Software completed FY20 with strong momentum as it onboarded nearly 9,000 clients and partners and completed over 10,000 sales transactions in total. Among the industry sectors, we see a lot of potential in banking and financial services, healthcare, government and consumer product firms.

HCL Software continues to invest in products and has announced numerous product releases. We have delivered nearly 450 product releases, over 15 major releases and more than 1,400 enhancements. The improvements we have made are greatly appreciated by our clients, who have rewarded us with a 20% increase in our client satisfaction score. The most notable launch this year was Domino v11, representing a milestone in HCL's commitment to modernize and innovate on the Domino ecosystem, and transform over 10 million enterprise-grade apps powering business for more than 15,000 clients. Our major product releases for the year were:

- **Digital Experience V9.5** – A digital experience management platform, combining production docker and Kubernetes support with a digital asset management capability.

- **Domino V11** – A rapid application development platform that allows businesses to build applications and processes with new enhancements. The Notes Domino V11 bundle features the following add-ons: Designer V11/Traveler V11/Certificate Authority Administrator 3.0 (CAA).

HCL Software has delivered key outcomes for enterprises across the globe. Highlights include a deal with a major European bank for BigFix, our end-point management platform, and an agreement with a leading US-based automotive aftermarket parts provider to be their customer-facing digital marketing and commerce engine.

The outlook for HCL Software is positive for the coming year, assuming that the world economy continues to recover from the COVID-19 pandemic. An excellent financial year preceded us that forged and solidified relationships with thousands of clients that is the foundation for our future. We will continue to gain the trust of our clients with the investments we make in our products.

DRYiCE™ Software

According to the recent International Data Corporation (IDC) Worldwide Artificial Intelligence Systems Spending Guide, spending on AI systems will reach \$97.9 billion in 2023. The compound annual growth rate (CAGR) for the 2018-2023 forecast period will be 28.4%.

DRYiCE™, a dedicated organic IP-based software unit of HCL, is HCL's leading solution for enterprise automation and AI-based transformation initiatives. It focuses on building products for transforming and simplifying IT and business operations by leveraging AI and Cloud. Our exclusive products enable enterprises to operate in a lean, fast and cost-efficient manner, delivering superior business outcomes. The DRYiCE™ portfolio focuses on three core areas: AIOps, XaaS orchestration and business flow intelligence. It is increasingly recognized as the AI foundation of our clients' enterprise solutions through our global delivery capabilities.

DRYiCE™ products have been developed based on the experience HCL gathered while managing some of the world's largest and most complex IT environments. We have witnessed first-hand how existing software products were unable to fix real-world issues. With DRYiCE™ products, clients have complete control over what to automate, where to automate, and the level of automation implemented.

DRYiCE™ has delivered key outcomes for enterprises across the globe. Some highlights include: a leading US-based life sciences and healthcare company choosing DRYiCE™ Lucy as their Cognitive Virtual Assistant (CVA) for internal employees; a leading European insurance company selecting DRYiCE™ MyCloud to manage and deploy infrastructure-as-a-service (IaaS) and platform-as-a-service (PaaS) for their hybrid cloud environment; and a European networking and telecom company selecting DRYiCE™ iAutomate to enable AI driven intelligent automation of voluminous and repetitive IT related issues.

Action Avalanche Hybrid Cloud Data Platform

During the previous financial year FY19, HCL acquired Actian, a leading global vendor of hybrid data management and analytics products based in Palo Alto, CA. Actian plays a critical role in enhancing HCL's Mode 3 offerings in data management products and platforms.

As part of our next-generation services, we are also conducting proofs of concepts and pilots for clients to plan, prioritize and deploy transformations to next generation hybrid cloud data warehousing technologies. We are capitalizing on Actian's capabilities to create end-to-end hybrid data solutions for all major industry business units.

During FY20 Actian announced Actian Avalanche Real-Time Connected Data Warehouse. This innovative hybrid solution delivers industry leading scalability and price performance and is the first cloud data warehouse to offer enterprise integration capabilities natively built into the product. It enables enterprises to rapidly and inexpensively harness their diverse data sources for use in high performance analytics, both in the cloud and on-premise. This Actian Avalanche offering, which supports the Microsoft Azure, AWS and Google Cloud platforms, features Avalanche Connect™ – an enterprise-class data-integration capability that seamlessly supports connections with hundreds of popular SaaS and on-premise applications.

Banking Transformation Platform

HCL has an IP partnership with DXC which leverages our functional expertise in banking and our product engineering

capability to modernize the legacy product set across three key areas: Core Banking, Lending and Payments. In Core Banking, we have developed APIs, integrated tools, and migrated key functional modules to offer a cloud-based solution in a hosted model. In Lending, we have enhanced the platform with added functionality and third-party integration. In Payments, we have created a new cloud-native payment hub architecture for a modern, global multi-tenant platform offering. Since inception, this partnership has positioned HCL as a full-service provider of platforms, solutions and services.


BUILDING OUR BRAND

TO PROPEL GROWTH

With a vision of further enhancing its industry leading growth, HCL promotes and positions the business in a holistic manner to build and increase its Brand value, deepen relationships and experiences with clients and ecosystem partners, and enable HCL's Client Partners and sales professionals to maximize their potential. HCL extends its reach through the ecosystem by connecting employees, clients, prospects, influencers and other stakeholders through a series of thought leadership experiences, including global and local forums, events, campaigns, client immersion programs, customer advisory boards and eminence programs. Our focus entails strengthening of value propositions, generating demand through systematic digital campaigns, simplifying and enriching client buying journeys and attracting new clients at scale. Additionally, HCL's Center for Design and Experience (CODE) is our in-house, full capability digital and creative agency supporting the company.

The strategy for marketing the company is strengthened and supported in five key areas: Branding & Influence, Ecosystem Experience, Sales Enablement, Thought Leadership and Communications. The strategy is applied across HCL at company, segment, business unit and enablement function levels.

We have elevated HCL's brand value as a relevant, leading global technology company through platforms such as the World Economic Forum and country-specific



Technology for the next decade, today.

Global-to-Local campaigns linking technology with human-centric issues, championing equality, diversity and inclusion, cultural inspiration and sustainability. These platforms have positioned HCL as a premier brand, earning class-leading analyst recognitions, brand rankings, media coverage in traditional outlets, new media and leading publications, and new partnerships with institutions to expand HCL's visibility and relevance. We have engaged with prominent technology and investment audiences through the Accelerate Series of Analyst and Advisor Days in Mumbai and Adelaide, and the industry's first virtual conference with over 400 analysts across 70 leading firms participating. We have expanded our client-driven executive forums through the Customer Advisory Board, Advanced Leadership Program, and the HCL Ecosystem Week including special cultural events with CXO's conducted in NYC and SFO through HCL Concerts.

HCL has engaged in leading roles at premier business and industry events around the world:

- World Economic Forum, Davos: A sophisticated presence that positioned HCL as an end-to-end technology provider for the next decade, today.
- Sapphire Now: Showcasing the OneHCL perspective covering Mode 1-2-3 portfolios across enterprise core SAP and offerings for IoT, DRYICE™, Cloud, and Products and Platforms.
- Dreamforce: Showcasing Salesforce, MuleSoft and Tableau offerings.
- Other major events (50k+ participants) include Hannover Messe, Oracle OpenWorld and the Adobe Summit, among others.

HCL uniquely positions the company via campaigns including "Technology for the Next Decade, Today",

"Building Resilient Digital Enterprises" through special "OneHCL" ecosystem events that showcase our Industry expertise, Business Segments, and offerings, complemented by innovation labs, new capabilities and partnerships. Bringing together existing and prospective clients, employees, external influencers, government representatives and policy makers, the media, academicians and experts, examples of ecosystem events include:

- Global innovation lab launches such as the Cybersecurity Fusion Center in Frisco, the SAP lab, and the IBM Red Hat hybrid cloud services lab for Cloud Native in London and Frisco
- Employer brand and recruiting events in new geographies: Eastern Europe, Guatemala and Mexico
- Launch of new delivery centers in the US, France, Australia and New Zealand
- Launch of new business units to support cloud transformation initiatives (HCL GEBU, IBM BU and Microsoft BU) and Academies to enable them (for IBM and Azure)
- Launch of new HCL Software products: Domino V11, Digital Experience V9.5, BigFix V10, Unica V12 and AppScan V10

HCL's Marketing has received numerous external recognitions across the technology services sector for innovation and creativity, including the IT Services Marketing Association, the DMA Echo Asia Marketing Award and Influencer Marketing Awards. HCL's initiatives with industry analysts and influencers has led to the company being positioned as a business and technology leader in over 160 competitive assessments, among the top and the most of any company in the industry.

TALENTED PEOPLE

ARE AT THE CENTER OF HCL

In FY20, HCL Technologies witnessed the healthy addition of new employees and currently stands at a global employee strength of 149,173. Our emphasis and commitment to talent localization offers us a competitive advantage in a tightening regulatory environment with respect to workforce mobility. In the United States, we have more than 17,920 employees with 67.1% localization. We improved our gender diversity with a 30% increase in women occupying senior leadership roles by the end of FY20.

Our focus on growth in New Vistas (select smaller cities) in India to enable higher operational resilience, stability, and scalability continues. The employee strength in the cities under our New Vistas program in India (Lucknow, Madurai, Nagpur, and Vijayawada) is up by 26% from the last fiscal year. We established a skill development center in Lucknow and the development of housing infrastructure is underway

Talent Acquisition

We have leveraged digital technologies to enhance the quality and experience of our talent acquisition (TA) programs.



HCL streamlined critical aspects of its recruiting workflow with automation by introducing Techruit, a technology transformation initiative for talent acquisition. It reduces the cycle time from screening to selection through improved process efficiency, resulting in an improved recruitment experience and quality.

The intent of integration is to provide an end-to-end converged selection process through a search and match tool and a digital assessment and interview management platform for recruiters, hiring managers and candidates to reduce the cycle time from screening to selection through improved process efficiency, resulting in improved recruitment experience and quality of hire.

Under Techruit, there are three key initiatives bringing innovative transformation to HCL's Talent Acquisition suite.

1. Recruitment automation for resume screening – AI & NLP based sourcing tool: To address the first phase of recruiting which is resume screening, HCL powered its applicant tracking system with an AI & NLP based sourcing platform. Recruitment automation applied to resume screening proves to be a boon to reduce time to hire as it automates a redundant, repetitive task and allows recruiters to re-focus their time on higher value priorities such as talking to candidates to assess their personalities and culture fit.
2. Recruitment automation for pre-qualification/interest check: HCL's Talent Acquisition suite includes a chatbot (IVR) for interest check with candidates. Recruitment automation in the form of chatbots (IVR) improves the candidate experience and enhances the pre-qualification capabilities of a human recruiter without additional strain on their time.
3. Recruitment automation for interviews and assessments: HCL acknowledges that an applicant's digital footprint travels faster than his physical candidature. Therefore, the Applicant Tracking system is now equipped with a comprehensive auto proctored scheduling and assessment platform which auto-schedules and records video interviews and assessments. It also captures and maintains candidate data through seamless integration with the ATS. With iOS and android phone apps, it ensures a great user experience for candidates and recruiters as well as hiring managers.

HCL Talent Acquisition completely aligns with the organization's business goals to ensure automation and is set to accelerate the business toward even greater success.

Talent Development

At HCL, Talent Development continues to create value and go beyond the norm to be a game changer to build capabilities and competence of HCL's employee workforce, ensuring their relevance in the 'now and the future' of workplace. Talent Development is a key partner to the organization's current and future strategic imperatives where business strategies are tied into its talent development approach.

We have been highly iterative and agile in our approach to designing and deploying learning solutions for each talent segment, providing an integrated and comprehensive learning ecosystem focused on the development of our employees and driving key business outcomes.

A versatile and learner-centric learning ecosystem comprising multiple and varied modes of learning aligns itself well to the sensibilities of learners across experience, functions and learning styles. The embedded agility was recently leveraged to respond adequately to the 'new normal' ways of working as it took shape. Engagement through learning optimally and optimistically engages the workforce and provides them with the necessary cognitive and emotional anchors as they navigate each day and each decision. This was offered through a curated offering 'Learning in my Locker'.

The Skills@Scale program is a way by which the company continuously anticipates the skills that need to be built at scale and will hence make the organization future-ready. It is based on an analytics-based prediction of what skills will be challenging to fulfill and redirect our development efforts to build those very skills internally. For each of our businesses, this list helps us ask if:

- The predicted skills have enough demand.
- Enough employees are learning and clearing the standards we have set.
- Our curriculum is up-to-date and aligned with the market.
- Most importantly, our internal fulfillment post-development is increasing because of our efforts.
- This tracking and leadership governance also helps us review and improve program effectiveness.

In FY20, we have invested 4.1 million hours in training. 82,675 unique employees were trained in generic skills while 34,707

unique employees were trained on digital skills. Our employees have invested over 68,000 learning hours in leadership and professional skills programs across talent segments.

Diversity and Inclusion

The company's vision, strategy and direction are strongly anchored around the principles of Diversity, Inclusion and Equality, focusing on talent attraction, talent growth and retention. Our programs for career development, networking, mentoring and advocacy support building an inclusive workforce which goes beyond demographic differences to include gender, nationality, culture, ethnicity, age, sexual orientation and the differing abilities of individuals.

At HCL we believe inclusion is achieved when people believe that their unique and authentic self is valued, they are treated equally and with respect, they feel safe while expressing their opinion, and when they are empowered to take decisions to grow and do their best. Establishing our Inclusion Lab has helped in creating a systemic top down approach that highlights inclusive leadership as a core pillar within the organization's diversity and inclusion strategy. It has helped to incorporate inclusion into our organization's values to guide behaviors.

In light of the transition to new ways of working and heightened uncertainty in the context of the Global Pandemic, HCL is responding to the new normal by emphasizing and fostering inclusion through creating meaningful connections, leveraging technology smartly, organizing resources, sharing concerns and exhibiting optimism.

The company has seen an increase of 30% women in senior leadership from last year and the gender diversity ratio for senior leadership stands at 7.5%, up from 5.4% last year. Overall, women constitute 26.8% of our employee strength.

HCL has been well recognized by various industry forums and leading associations across the globe for distinctive D&I practices. HCL received the NASSCOM Corporate Award for "Excellence in Gender Inclusion". HCL has been recognized by Jobsforher for Top 5 Most Innovative Practices: DivHERsity Programs. HCL has also been recognized as the Best 50 People Capital Index (PCI) companies for 2019.

HR Compliance at HCL

At HCL, HR compliance is an integral part of the HR processes and procedures. The company has a comprehensive HR compliance framework which is periodically reviewed with all relevant stakeholders to ensure

that they are relevant and appropriately aligned with the local regulations/requirements. This framework clearly defines the compliance elements, responsibility and the control mechanisms that exist to meet the compliance.

A holistic risk assessment is conducted on these elements to identify risks, assess the current controls and amend them as needed to continuously improve the compliance levels.

In addition, there is an effective institutionalized protocol to identify any changes in local law, assess the impact and implement the revised policies/procedures in the shortest time possible.

The company also conducts periodic audits, either internal or through external stakeholders, to ensure adherence to regulations. There is a centralized team to design and implement the changes as well as provide governance and oversight to the HR compliance program. This team constantly collaborates with multiple cross-functional teams to enhance the framework.

Technology plays a key element in the successful implementation of the HR Compliance, and HCL has implemented solutions to ensure that timely tracking and transparent reporting of compliance elements is achieved.

There also exists a strong governance mechanism managed by the central compliance team to ensure that the risks are mitigated or eliminated in a timely manner.

CORPORATE SOCIAL RESPONSIBILITY

FOR A BETTER WORLD

HCL builds sustainability principles and actions into the strategy, culture and day-to-day operations of our company.

We aim to improve the lives of people around the planet, engaging our employees, clients, stakeholders, and the communities we live in, to a higher purpose. We focus on areas where we can make the most difference: health, education, technology, jobs and people who are denied the benefits and access afforded by science, technology



and innovation. Guided by the United Nations Sustainable Development Goals, we view sustainability in three ways – economic, social and environmental, known informally as Profit, People and the Planet.

HCL Foundation

HCL Foundation, the CSR arm of HCL Technologies, continues to work toward positive transformative shifts in the lives of vulnerable communities in India and around the world. In FY20 we took meaningful action toward combating climate change. A better planet with all people achieving peace and prosperity is at the heart and culture of HCL.

Through our flagship initiatives HCL Samuday, HCL Grant and HCL Uday, the HCL Foundation impacted more than 1.5 million people, creating opportunities to break the cycle of poverty through Early Childhood Care and Development (ECCD), Education, Health, Livelihoods, Water Sanitation and Hygiene (WASH), and Disaster Risk Reduction and Response (DRR) verticals in rural and urban communities.

HCL Foundation also addressed environmental poverty through mass plantation, water conservation and rejuvenation, and animal welfare initiatives.

While we continue to make progress in a sustainable and scalable approach to addressing social issues, the soul of HCL's CSR is still defined by its passionate "Power of One." These are HCL employee volunteers and contributors who offer their personal time and commitment toward social upliftment.

Flagship Programs — Key Highlights

Power of One

Power of One is the backbone for our employee-led CSR and one of the key programs of HCL Foundation. Power of One was introduced with the idea that a small contribution can make a huge difference in people's lives and can go a long way in making a significant impact in the society. Our HCL Community Champions have shown great commitment toward all volunteer-based activities of HCL Foundation and continue to support our mission of transforming lives and spreading goodwill.

HCL Uday

With a vision of clean, green, healthy and empowered communities, HCL Foundation works to break the cycle of urban poverty through its integrated urban development program – HCL Uday. Defining Uday's approach is its intrinsic belief that the urban poor aspire to a life of dignity and self-respect. Through this program, HCL Foundation creates opportunities through carefully designed strategies that speak both to their environment and to the ambitions of the community. HCL employee engagement and participation is a key lever that spans across all programs.

HCL Grant

HCL Grant is one of the biggest and most coveted institutionalized CSR grants in India that aims to recognize the rise of the Fifth Estate – the non-governmental organizations (NGOs) and support their breakthrough projects reaching out to the rural communities in the country.

In the fifth edition, HCL Grant received over 5,000 registrations from NGOs representing all states of India in the categories of Environment, Health and Education. The final three recipients of the fifth edition of HCL Grant were selected after robust field assessment, due diligence and deliberations at the Sub-jury and Jury rounds. While the winners receive their due reward, we also provide monetary support to the runners-up in each category for one-year projects.

HCL Samuday

A rural development initiative, HCL Samuday was launched in 2015 with an aim to develop a sustainable, scalable and

replicable model – a source code for economic and social development of rural areas. Currently implemented in three blocks of HarDOI district in Uttar Pradesh, the program covers 164 Gram Panchayats, comprising of 765 villages and 90,000 households, totaling a population of 600,000 people. Samuday, through its interventions across six verticals for holistic rural development – agriculture, education, health, infrastructure, livelihood, and WASH (Water, Sanitation, and Hygiene) – has been able to bring holistic development in the region.

Clean NOIDA

Clean NOIDA – an HCL Foundation initiative started in 2019 – carries out works and services to implement effective solid waste management in Noida in partnership with the Noida Development Authority. This initiative aims to transform the city into a litter and waste-free region, via cleaning of garbage vulnerable points (GVPs) and provision of cloth bags, among others. The initiative has covered 90 Residential Welfare Associations (RWAs) and 64 urban villages, with a major focus on capacity building of relevant stakeholders, intensive behavior change campaigns, awareness drives and technology solutions. A total of 3,375 volunteers and 13,776 participants have been engaged till now through various events.

Recognitions

- HCL Samuday and Project Clean NOIDA awarded Fabulous Global Smart Cities Leaders at the 9th edition of the World CSR Day Congress and Awards
- HCL Samuday Knowledge Partner for the Smart Village Conclave 2019
- HCL Foundation felicitated by Save the Children with the 'Changemaker Award' at the Right Start National Summit
- HCL Foundation recognized by the Basic Directorate of Education, Government of Uttar Pradesh for creating a pathway to new education and changing the horizon of the education ecosystem of Uttar Pradesh

HCL Foundation Around the World

In FY20 the Power of One program has scaled beyond India to allow employees in all countries we operate and live in to contribute to local societies, extending our values and goodwill with impact. Along with a ramp-up plan for Power of One in the US, we have launched local campaigns in Great Britain, Netherlands, Germany, Poland, France, Sweden and Australia.

Examples of successful programs include:

USA

- Newport Robotics Group – STEM program: Educating youth through technology
- InspireNC – STEM program: Educating youth through new innovative ways
- Habitat for Humanity of Wake County: Sponsoring the building of homes for Cary GDC employees
- Rise Against Hunger: Providing food packaging events across GDCs
- Imagine Beyond Foundation: Organizing autism walks for Frisco employees
- SOS Children's Villages: Providing youth education and medical care

Great Britain

- Prince's Trust – Get Started with Technology series: Mobile application development and digital learning skills with the aim of making young adults employable through skills training opportunities
- Manchester United and Prince's Trust collaboration for promotion of sports: Over 100 employees participated in Future Steps, the month-long fund-raising program

South Africa

- University of Johannesburg: Promotion of digital literacy through an inclusive 64-seat computer lab
- Nelson Mandela Foundation: Sponsoring the Mandela Day Library Project as part of the literacy program in local schools [Thuthuzekani Primary School and Elethu Themba Public School] and training of teachers to use the space to educate community children



RISK MANAGEMENT

SECURING THE ENTERPRISE

With the vision to integrate risk management with the overall strategic and operational practices of HCL, we have established an Enterprise Risk Management (ERM) Policy and Framework. As a comprehensive set of components, this provides the foundation for an organization-wide practice designing, implementing, monitoring, reviewing and continually improving risk management. The design of the HCL's ERM framework is based on the internationally recognized standard "Enterprise Risk Management Integrating with Strategy and Performance" (COSO ERM Framework 2017), developed by the Treadway Commission. This framework follows a top-down system, with objectives to distill insights and provide clarity on the key risks shaping company performance, support risk-informed decisions at the Board of Director, Executive Management and Operational Management levels, ensure a risk dialogue among the management team, and enable proper risk oversight by the Board.

Supply Side Risks

Clients rely on technology players to drive their business outcomes from transformation initiatives to expand revenue and optimize cost. On the supply side, the technology players have become part of the fragmented market, with a few large players and the arrival of many boutique players, resulting in tighter SLAs and competitive pricing. Failure to meet these standards may result in loss of market share and lead to reduced growth across the top-line and bottom-line.

HCL has a robust governance in place to continuously assess clients' expectations and work on proactive measures to deliver committed value. Our sales and delivery teams engage on a regular basis with our clients to ensure seamless execution of engagements, within the SLAs. Our delivery capabilities are equipped with a set of rich frameworks, IP, and accelerators to enable this execution.

To address future demand, we continuously invest in next-generation technology and skill development to stay relevant to our clients' ecosystems. Our differentiated full-stack offerings help us maintain and enhance mindshare in clients. This has helped us build resilience and become immune to both internal as well as external challenges of the environment.

Pandemic and Infectious Disease Risk

HCL's service delivery and business execution is impacted by the outbreak of infectious disease and viruses such as COVID-19. This can affect our business across multiple geographies. The specific risks related to various parts of the organization are listed below.

Service Delivery & Client Commitments

We could experience outages or minor disruption in operations and service delivery due to the government lockdowns with most of our employees working from home and a few at client locations or at HCL offices. Due to the new working model (work from home), service level agreements with our clients could be impacted causing clients to impose penalties or invoke the force majeure clause in their contract with HCL.

Future Business Prospects and Sales

HCL could possibly see decline in sales as clients might put transformation projects or initiatives on hold due to the global economic slowdown.

Technology supporting the new working model

Work from home model puts us at a risk that infrastructure, tools and processes might not adequately support this working arrangement which could lead to the disruption of business operations and client delivery.

As part of Business Continuity Management, HCL has established a Pandemic Response Plan to oversee our global response and to monitor pandemic situations in locations that we operate in. We collaborate with leading international medical, crisis management and travel security services firms to help us with accurate risk assessment and planning. When necessary we activate all remedial measures to ensure employee safety and well-being. We have a robust governance process led by our Emergency Crisis Management Team to review our holistic remedial measures at regular intervals.

HCL has had a well-defined and structured pandemic policy in place which is resilient and pragmatic and accords paramount importance to employee safety & health and client commitments. We have been actively engaged with our clients and have executed the client-specific and HCL internal operations-centric Business Continuity Plan that ensures continuity in delivering to our client and employee commitments. HCL has been constantly reviewing the situation at hand with utmost priority and fully complying with all government advisories and recommendations. Given the extended nature of this situation, we have looked at ensuring

that we put medium-term sustainable measures in place to ensure continuity of all our operations and client deliverables. Our virtual governance and collaboration, both with internal and external stakeholders, allows us to execute our business with minimal interruption.

Business Continuity Risk

With the technology, geopolitical, societal, economic and environmental risks all coming together to create an intrinsically complex and fast-changing global risk landscape, our reputation as a leading global technology company is often measured by our resilience to threats, and how efficiently and effectively we respond to disruptive events. HCL faces business continuity risk if the organization is unable to adapt and ensure the sustainability of its continuity planning by linking it to operational resiliency across key clients, delivery locations and core enabling functions.

An effective Business Continuity and Resilience program is a key risk management strategy for HCL which involves elements of preparedness, adaptiveness, recovery and restoration. HCL continually improves its Business Continuity Management (BCM) framework to ensure in the event of business disruption, we meet safety, continuity and recovery best practices for employees, assets and business services. In FY20, HCL extended the ISO 22301:2012 certification to key locations across the globe, demonstrating our focus on standardization and improvement of the resiliency posture of the company. The HCL BCM framework incorporates business continuity, disaster recovery and crisis management and is designed to adapt and respond to the rapidly changing global environment.

Geopolitical Risk

A substantial amount of geopolitical change is occurring in the world due to a shift in political alliances, economic interconnectedness, economic confrontations and economic imbalance of power. All of these geopolitical parameters have a direct impact on HCL business as we operate in 40+ countries. Current political views create perception challenges for winning business for a foreign owned entity. Legislation which restricts the availability of work visas for skilled resources impacts our ability to deliver services which include project delays and increase cost.

HCL has setup a geopolitical framework to assess geopolitical and country specific risks on a periodic basis. We have a program to continuously assess and improve our brand narrative for clients and employees worldwide. HCL has been

expanding its business across various countries to minimize dependence on a country for revenue growth and service delivery. HCL has also implemented the strategy of hiring local talent to avoid adverse impact on business due to various restrictions on free mobility of technical staff. Over the past few years, HCL has been leading the localization of work force through a variety of programs. HCL has invested in a flexible work force model of onsite, onshore, near shore and offshore to address these concerns and drive the best talent to solve client business challenges.

Distributed and Virtual Governance Risk

Due to the work from home model, distributed and virtual governance across HCL could lead to ineffective decision making to manage an organization of this size.

HCL has upscaled its business practices with clearly defined roles and responsibilities. Even in normal times, HCL as a global organization operates and manages the organization remotely with leaders in various parts of the world working in a 24x7 model. There is also a healthy reliance on video conferencing and other collaboration tools so that senior management teams can connect on a regular basis.

Regulatory Compliance Risk

As HCL is operating in various countries and is continuously adding new industry sectors and geographies, there is an increased risk of non-compliance with regulatory requirements that are relevant to its business.

HCL has established a comprehensive Risk & Compliance organization that provides global analysis, assessment, policy and governance for risks related to information security, privacy, business continuity, third party engagements and operational activities. HCL has put in place a comprehensive global regulatory compliance framework to track regulatory compliances globally. It is not only designed to avoid violation of laws and regulations, but also to protect the Company's reputation, employees and clients. Assessments are carried out and detailed checklists are maintained to ensure compliance. In addition to this, quarterly compliance certificates are presented to the Board of Directors by the respective functions with responsibility for such compliances.

Information and Cyber Security Risk

As the cyber threat landscape evolves, risk of compromise to confidentiality, integrity and availability of HCL corporate and client data has the potential to impact HCL's corporate mission.

HCL continues to improve and evolve its Cyber and Information security posture by implementing a comprehensive program across the enterprise. Capabilities include proactive detection and response measures and incidents are managed through resolution and reported to management. The program ensures continuous awareness training to increase cyber security hygiene. The Information and Cyber Security program is integrated across the enterprise to ensure a strong security posture for HCL and its clients and has been validated by independent, industry recognized certifications.

Privacy Risk

The access to internal, employee and client-owned data presents an increased risk of non-compliance with privacy and data protection laws and regulations. This further creates a risk of damage to brand reputation and relationships between HCL and its clients. Several countries have begun imposing stringent regulatory requirements and penalties that affect the way in which HCL handles personal data across those jurisdictions.

HCL has created an enterprise wide Privacy & Data Protection Framework which includes governance, policies and procedures, training and awareness programs, privacy impact assessments, privacy by design, data mapping, third party contractual oversight, incident management and a mechanism for monitoring regulatory compliance for every geography. This dynamic, modular, risk-based privacy framework, bolstered further by industry-recognized certifications and accreditations, enables HCL to ensure compliance with applicable regulations and established privacy standards and leading practices.

Talent management risk

As HCL continues its growth journey, one of the employee-centric risks is talent availability and readiness. A related talent risk is to ensure career development for our employees globally.

At HCL, we focus on the workplace of tomorrow that promotes a collaborative and transparent organizational culture. HCL is focused on deploying a robust training strategy to cater to the development needs of employees across leadership levels. This includes professional, functional, technical and leadership development learning solutions. We help our employees reskill themselves and provide them with a new age skill identity.

With a constant focus on talent localization, we have to ensure that our hiring and engagement efforts for onsite employees continue with vigor. For example, in the US, HCL has made significant investments in Global Delivery Centers, with a collection of strategic technology labs creating new-age processes, applications and platforms for global clients.

Our HR team continuously aims to reach each and every employee to support them in their growth. Our strategy and value is to provide intelligent career paths to our employees for internal opportunities. It allows an employee to turn their aspirations to reality by building a career development plan and a skill development plan that help them prepare and be ready for future opportunities in line with their aspirations. HCL's Career Connect not only suggests the vertical progression opportunities that an employee can leverage but also allows them to choose horizontal progressions. To overcome the risk of talent outflow, we are continuously working on employee retention with our empowering culture, progressive HR policies, career growth opportunities and an employee-first philosophy.

Succession Planning risk

There is an ongoing high demand for senior management talent across the globe in the technology industry, thereby risk of attrition of HCL's senior management.

To ensure business continuity and to mitigate the risk of a weak senior leadership pipeline, our leadership planning includes succession planning and short-term backups at all times. Talent Management, in partnership with Business and HR leaders, carry out a half-yearly activity to assess the current Criticality, Capability and Risk index of the senior leaders. This acts as the cornerstone for determining and implementing the succession planning approach. We also work on competitive benchmarking of benefits to ensure that the morale of our critical resources is kept high.

Acquisitions and Strategic Partnership Risks

From time to time, HCL has acquired certain businesses and has entered into strategic partnerships with other companies. The success of these acquisitions and partnerships depends on several factors including proper integration of the acquired employees with the rest of the company and optimum usage of synergies between the acquired business and the company. This exposes the company to risk of impairment of goodwill and other intangibles.

HCL has pioneered a unique inorganic growth model that identifies value assets that can be enhanced through creative synergies. Since inception, HCL has executed several industry-first models that have subsequently become industry standards. We are confident that some of the recent pursuits in this arena will bear fruit in the next few years. To ensure this, we have established an ongoing Integration and Performance Management program to enable acquired businesses and HCL to get the maximum returns on these investments. To complete this program, the performance of such acquired businesses is periodically reviewed by Board committees and corrective action is taken from time to time. Impairment of goodwill and other intangibles are evaluated at least once at the end of the year.

Tax-related Risk

HCL is subject to taxes in numerous jurisdictions worldwide and enjoys tax benefits in India on its Software exports under the Special Economic Zone scheme of the Government of India. Any changes in tax laws in India and other countries where HCL has significant presence can have an adverse impact on the effective tax rate of the Company. As HCL operates in several jurisdictions, transfer pricing arrangements among legal entities in these jurisdictions are always subject to review by various tax authorities.

HCL's specialized tax teams keep themselves abreast of the latest tax developments in various jurisdictions and implements appropriate tax planning strategies based on changes in tax laws in various countries. HCL also gets into advance transfer pricing arrangements in several countries and gets the transfer pricing arrangements reviewed by external consultants periodically.

Forex Exchange Risks

HCL derives a majority of its revenues from clients based outside India with over 97% of its revenues realized in foreign currencies. Our delivery teams are also based across various countries and as a result over 74% of its costs are denominated in foreign currencies. This exposes the company to any adverse movement in the exchange rates of foreign currencies.

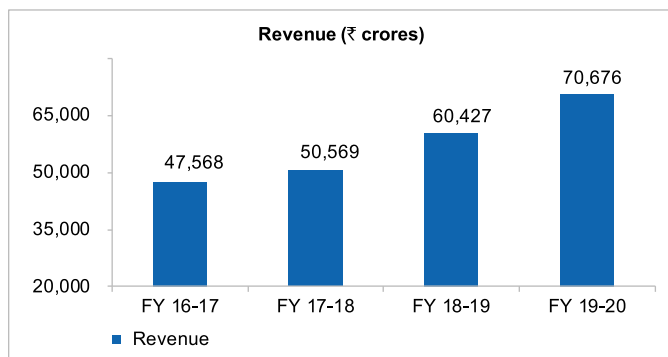
The company uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecasts transactions in certain foreign currencies. This is governed by policies and processes determined by the Board which defines the period of hedges and the percentage of risk to be covered.



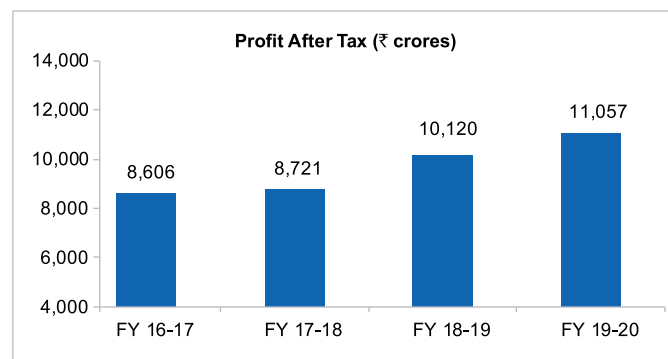
PERFORMANCE

TRENDS

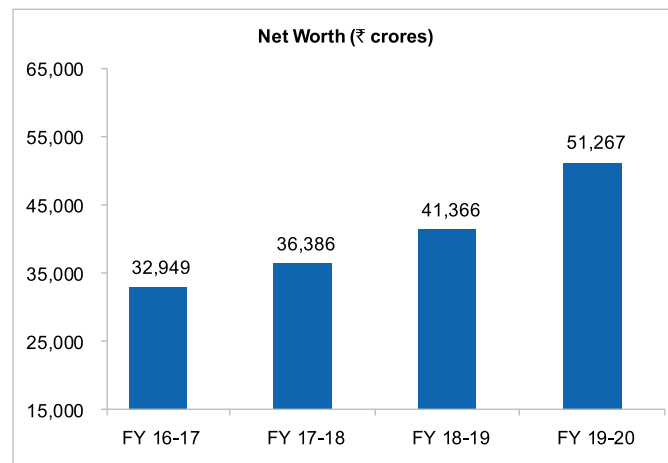
Revenue has increased from ₹ 47,568 crores in fiscal 2017 to ₹ 70,676 crores in fiscal 2020, with a compounded annual growth rate (CAGR) of 14.1% over the last three years.



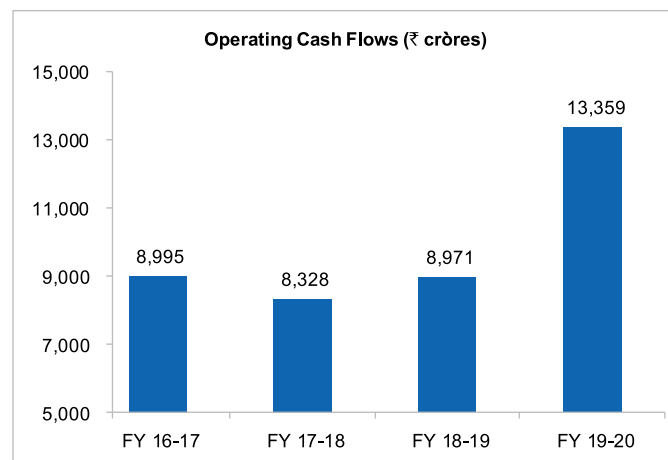
Profit after tax has increased from ₹ 8,606 crores in fiscal 2017 to ₹ 11,057 crores in fiscal 2020, with a compounded annual growth rate (CAGR) of 8.7% over the last three years.



The net worth of the Company has increased from ₹ 32,949 crores in fiscal 2017 to ₹ 51,267 crores in fiscal 2020, with a compounded annual growth rate (CAGR) of 15.9% over the last three years.



Operating cash flows of the Company has increased from ₹ 8,995 crores in fiscal 2017 to ₹ 13,359 crores in fiscal 2020, with a compounded annual growth rate (CAGR) of 14.1% over the last three years.



Financial Performance

Consolidated results

This part of the Management Discussion and Analysis refers to the consolidated financial statements of HCL (“the Company” or “the Parent Company”) and its subsidiaries 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 31 March 2020 prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Results of Operations (Consolidated):

Particulars	Year Ended				Growth % Increase
	31 March 2020		31 March 2019		
	Amount	% Revenue	Amount	% Revenue	
Revenues from operations	70,676	100.0%	60,427	100.0%	17.0%
Purchase of stock-in-trade	1,536	2.2%	1,615	2.7%	
Changes in inventories of stock-in-trade	-	-	81	0.1%	
Employee benefit expense	34,928	49.4%	29,283	48.5%	19.3%
Outsourcing costs	10,700	15.1%	9,761	16.2%	9.6%
Other expenses	6,196	8.8%	5,761	9.5%	7.6%
Depreciation and amortisation expense	3,420	4.8%	2,073	3.4%	65.0%
Total Expenditure	56,780	80.3%	48,574	80.4%	16.9%
Profit before finance cost, other income & tax	13,896	19.7%	11,853	19.6%	17.2%
Finance costs	505	0.7%	174	0.3%	190.2%
Other income	589	0.8%	943	1.6%	(37.5%)
Profit before tax	13,980	19.8%	12,622	20.9%	10.8%
Provision for tax	2,923	4.1%	2,502	4.1%	16.8%
Profit after tax	11,057	15.7%	10,120	16.8%	9.3%

Comments:

- **Revenue from operations** increased to ₹ 70,676 crore in FY 2020 as compared to ₹ 60,427 crore in FY 2019 resulting in a growth of 17.0%.
- **Profit before tax (PBT)** increased to ₹ 13,980 crore in FY 2020 as compared to ₹ 12,622 crore in FY 2019 resulting in a growth of 10.8%.
- **Profit after tax (PAT)** increased to ₹ 11,057 crore in FY 2020 as compared to ₹ 10,120 crore in FY 2019 resulting a growth of 9.3%.

Revenues

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assess performance. Till 31 March 2019, CODM evaluated the Group’s performance by business segment, comprising software services, infrastructure management services and business process outsourcing services.

Consequent to reorganization of its global operations due to technological changes and business requirements with increased focus to meet customer expectations and provide better services, the group effective 1 April 2019, has reorganized itself and derives its revenue from three segments viz IT and Business Services, Engineering and R&D Services and Products & Platform.

Segment information previously reported has been restated to present business segments following the change in composition of operating segments. This change in segment presentation does not affect the consolidated statements of income and comprehensive income, balance sheets or statements of cash flows.

Segment wise details are given below:

(₹ in Crores)

Particulars	Year Ended				% Increase
	31 March 2020		31 March 2019		
	Amount	% of total	Amount	% of total	
IT and Business Services	50,742	71.8%	45,100	74.6%	12.5%
Engineering and R&D services	11,819	16.7%	10,342	17.1%	14.3%
Products & Platforms	8,115	11.5%	4,985	8.3%	62.8%
Total Revenue	70,676	100.0%	60,427	100.0%	17.0%

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)

Geographical Mix	Year Ended				% Increase
	31 March 2020		31 March 2019		
	Amount	% of total	Amount	% of total	
America	40,798	57.8%	35,972	59.6%	13.4%
Europe	19,397	27.4%	16,136	26.7%	20.2%
India*	2,354	3.3%	2,118	3.5%	11.2%
Rest of the world	8,127	11.5%	6,201	10.2%	31.1%
Total Service Revenue	70,676	100.0%	60,427	100.0%	17.0%

*Includes revenue billed to India based captive of global customers

- US geography has grown by 13.4%, Europe by 20.2% and Rest of the world by 31.1% in Fiscal 2020.

Employee benefits expense and outsourcing costs

(₹ in Crores)

Particulars	Year Ended				% Increase
	31 March 2020		31 March 2019		
	Amount	% Revenue	Amount	% Revenue	
Salaries, wages and bonus	30,599	43.3%	25,649	42.5%	19.3%
Contribution to provident fund and other employee benefits	4,185	5.9%	3,511	5.8%	19.2%
Staff welfare expenses	144	0.2%	123	0.2%	17.1%
Subtotal (A)	34,928	49.4%	29,283	48.5%	19.3%
Outsourcing costs (B)	10,700	15.1%	9,761	16.2%	9.6%
Total (A+B)	45,628	64.5%	39,044	64.7%	16.9%

Employee benefit expense includes salaries which have fixed and variable component, contributions to retirement and pension schemes. It also includes expenses incurred on staff welfare.

Outsourcing costs include a) outsourcing of several customers related activities e.g. hosting services, facilities management, disaster recovery, maintenance, break fix services etc. and b) hiring of third-party consultants from time to time to supplement the in-house teams.

Employee benefits expense has increased by ₹ 5,645 crores compared to previous year. The increase in employee cost is primarily on account of increase in number of employees (150,423 in fiscal 2020 as compared to 137,965 in fiscal 2019), change in mix of employees in various geographies and an increase in the average cost per employee due to normal salary revisions.

Other expenses

(₹ in Crores)

Particulars	Year Ended				% Increase
	31 March 2020		31 March 2019		
	Amount	% Revenue	Amount	% Revenue	
Rent	99	0.1%	761	1.3%	(87.0%)
Power & Fuel	307	0.4%	336	0.6%	(8.6%)
Travel and conveyance	1,849	2.6%	1,815	3.0%	1.9%
Communication costs	364	0.5%	306	0.5%	19.0%
Repairs and maintenance	722	1.0%	592	1.0%	22.0%
Software license fee	902	1.3%	509	0.8%	77.2%
Exchange differences (net)	15	0.0%	-	0.0%	0.0%
Others	1,938	2.7%	1,442	2.4%	34.4%
Total	6,196	8.8%	5,761	9.5%	7.6%

The group has adopted Ind – AS 116 “Leases” which has resulted in change in nature of expense from rent in previous period to depreciation cost for the right-of-use assets and finance cost for interest accrued on lease liability. This has resulted in reduction in rent cost from ₹ 761 crores in previous year to ₹ 99 crores in current year.

Depreciation and amortization expense

Depreciation and amortization expense as % of revenue has increased from 3.4% in the previous year to 4.8% in current year mainly on account of (a) increase in depreciation on Right-of-use assets by ₹ 637 crores (Refer previous para for explanation) and (b) amortization by ₹ 504 crores for intangibles and IP products largely on account of acquisitions consummated during current year.

Other Income

The details of Other Income are as follows:

(₹ in Crores)

Other Income	Year Ended		Growth
	31 March 2020	31 March 2019	
Interest Income	466	572	(18.5%)
Profit on sale of investments carried at fair value through other comprehensive income	16	17	(5.9%)
Income on investments carried at fair value through profit and loss	94	143	(34.3%)
Exchange Differences	-	182	(100.0%)
Others	13	29	(55.2%)
Total	589	943	(37.5%)

Exchange differences

The Group derives over 97% of its revenues in foreign currencies and over 74% of its costs are incurred in foreign currencies. This exposes the Group to risks of adverse variations 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 March 31,2020	71.04	90.19	78.85	48.44
For the Year Ended March 31,2019	69.90	91.59	80.79	50.86
Depreciation/(appreciation) (%)	1.6%	(1.5%)	(2.4%)	(4.8%)

Period Ended	USD	GBP	EURO	AUD
As at March 31,2020	75.67	93.54	82.74	48.03
As at March 31,2019	69.11	90.62	77.68	49.01
Depreciation/(appreciation) (%)	9.5%	3.2%	6.5%	(2.0%)

The Group uses foreign exchange forward contracts and options to mitigate the risk of movement 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) / gain of (₹ 15) crores (previous year gain of ₹ 182 crores). These exchange differences are a) on account of restatement of foreign currency monetary assets and liabilities, b) exchange gain (loss) incurred on forward covers/ options on occurrence of hedge transactions for which cash flow hedge accounting is being followed, and c) mark to market impact of other hedges.

The foreign exchange forward contracts, options and interest rate swaps in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The total unrealized exchange (loss) gain (net of tax) recognized in the hedging reserve account as at 31 March 2020 is (₹ 307) crores (previous year gain of ₹ 171 crores).

Taxation

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Profit before tax	13,980	12,622
Provision for tax	2,923	2,502
%age of Tax as Profit before tax	20.9%	19.8%

Tax expense as a percentage of profit before tax has increased from 19.8% in the previous year to 20.9% in fiscal 2020.

Tax expense for the year includes the impact of acquisition of certain software products from IBM consummated on June 30, 2019. These products have been acquired under SEZ units and profits derived therefrom are 100% exempt from tax during the current financial year. As per provisions of Indian Income Tax Act, goodwill is deductible for computation of taxable profit. As the taxable profits of these units are 100% exempt from tax, deduction of goodwill for tax purposes does not provide any tax benefit during the current financial year. However, as per Ind AS, the Company is required to record tax expense by setting up deferred tax liability on tax deductible goodwill, which has resulted in increase in tax expense.

Financial Position

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
ASSETS		
(a) Property, plant and equipment	5,494	5,293
(b) Capital work in progress	400	235
(c) Right-of-use assets	2,648	-
(d) Goodwill	16,154	9,061
(e) Other intangible assets	13,194	8,534
(f) Other non-current assets	6,596	5,730
(g) Current assets	38,420	29,722
TOTAL ASSETS	82,906	58,575
EQUITY		
(a) Equity share capital	543	271
(b) Other equity	50,878	41,198
TOTAL EQUITY	51,421	41,469
LIABILITIES		
(a) Non - current liabilities	7,755	4,807
(b) Current liabilities	23,730	12,299
TOTAL EQUITY AND LIABILITIES	82,906	58,575

Property, plant and equipment and capital work in progress

The Group has made addition to gross block by ₹ 1,417 crores (previous year ₹ 1,898 crores) in property, plant & equipment during fiscal 2020, which mainly comprises computers and networking equipment, plant and equipment's and investment in facilities.

Capital work-in-progress stood at ₹ 400 crores (previous year ₹ 235 crores).

Right-of-use assets

Effective 1 April 2019, the Group has adopted Ind AS 116, Leases, using modified retrospective method. The Group has elected the practical expedients, which allows the Group not to reassess, its prior conclusions about lease identification, lease classification and initial direct costs. The comparative information is not restated in the financial results. The Group has recognized ₹2,648 crores right-of-use assets net of depreciation during the year.

Goodwill and intangibles

The Group has made addition to goodwill by ₹ 6,445 crores (previous year ₹ 2,095 crores) for acquisitions of select IBM Software products and other acquisitions consummated during the year [for details refer note no 2 to consolidated financial statement].

The Group has also made addition to intangibles by ₹ 9,117 crores (previous year ₹ 2,357 crores) mainly for customer relationship and Technology recorded on account of acquisition of select IBM Software products during the year [for details refer note no 2 to consolidated financial statement].

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, inter-corporate deposits and investments in mutual funds and debt securities, with a limit on investments with any individual bank/fund.

Breakup of treasury investments is given below

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Mutual Funds	3,298	994
Debt Securities	3,691	1,226
Fixed Deposits with Banks	968	3,885
Inter-corporate deposits	3,420	1,664
Total	11,377	7,769

Current and other non-current Assets

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Other non-current assets	6,596	5,730
Current assets	38,420	29,722
Total	45,016	35,452
Less: Treasury investments	11,377	7,769
Total	33,639	27,683

Current and other non-current assets, excluding treasury assets increased by ₹ 5,956 crores (₹ 27,683 crores in fiscal 2019 to ₹ 33,639 crores in fiscal 2020); the increase is mainly on account of increase in trade receivables by ₹ 2,425 crores, Unbilled receivables by ₹ 1,821 crores, Deferred contract cost by ₹ 626 crores and increase in other receivables by ₹ 894 crores.

Shareholder's Fund

- The Company has an authorized share capital of ₹ 600 crores, divided into 3,000,000,000 equity shares of ₹ 2 each. During the year, employees exercised their options for 553,680 equity shares under the employee's stock option plans 2004.
- Pursuant to the approval of the shareholders through postal ballot (including remote e-voting), the Company has allotted 1,356,832,548 bonus shares of ₹ 2/- each fully paid-up on 10 December 2019 in the proportion of 1 equity share for every 1 equity share of ₹ 2/- each held by the equity shareholders of the Company as on the record date of 7 December 2019. Consequently, the Company capitalized a sum of ₹ 271.4 crore from "retained earnings".
- The Consolidated Shareholder's Fund of the Group stood at ₹ 51,421 crores as at 31 March 2020 (previous year ₹ 41,469 crores).

Borrowings

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Long term borrowings	2,848	2,977
Short Term-Borrowing	1,845	724
Current maturities of long term borrowings	399	494
Total	5,092	4,195

Borrowing of the Group has increased by ₹ 897 crores (₹ 4,195 crores in fiscal 2019 to ₹ 5,092 crores in fiscal 2020) mainly on account of increase in Bank overdraft by ₹ 1,055 crores taken to manage working capital requirement.

Current and non-current Liabilities

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Non - current liabilities	7,755	4,807
Current liabilities	23,730	12,299
Less : Borrowings	5,092	4,195
Total	26,393	12,911

Current and non-current liabilities, excluding borrowings, increased by ₹ 13,482 crores (₹ 12,911 crores in fiscal 2019 to ₹ 26,393 crores in fiscal 2020); the increase is mainly on account of (a) increase in Contract liabilities by ₹1,806 crores, (b) Deferred consideration by ₹6,843 crores primarily related to acquisition of select IBM Software products and (c) recognition of lease liabilities by ₹ 2,894 crores on account of adoption of Ind AS 116.

Cash Flows

A summary of the cash flow statement is given below:

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Cash and cash equivalents at the beginning of the year	5,901	1,657
Net cash generated from operating activities	13,359	8,971
Net cash used in investing activities	(12,374)	(3,073)
Cash flows used in financing activities	(3,168)	(1,471)
Effect of exchange differences on cash and cash equivalents held in foreign currency	42	(183)
Cash and cash equivalents at the end of the year	3,760	5,901

Cash flow from operations

The Group generated net cash from operating activities of ₹ 13,359 crores in FY 2020 (₹ 8,971 crores in FY 2019)

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Operating profit before working capital changes	17,477	14,058
Effect of working capital changes	(1,560)	(2,466)
Cash generated from operations	15,917	11,592
Tax payments made	(2,558)	(2,621)
Net cash generated from operating activities	13,359	8,971

Cash flow from investing activities

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances, net	(1,829)	(3,434)
(Purchase)/ sale of mutual funds, debt securities and equity instrument	(6,404)	2,502
Payments for business acquisitions, net of cash acquired	(6,091)	(2,828)
Redemption / maturity of bank deposits (net) having maturity over three months	1,809	380
Interest income	282	511
Taxes paid	(139)	(200)
Others	(2)	(4)
Net cash used in investing activities	(12,374)	(3,073)

In fiscal 2020 the Group used ₹ 12,374 crores for investing activities (₹ 3,073 crores in fiscal 2019). The significant items of investing activities were:

- During the current fiscal, the Group has made payment of ₹ 6,091 crores (net of cash acquired) as purchase consideration (Previous year ₹ 2,828 crores), for acquisitions of select IBM Software products and other acquisitions consummated during the year [for details refer note no 2 to consolidated financial statements].
- During the current fiscal year, the group had made purchase of mutual funds, debt securities and equity instrument, net of ₹ 6,404 crores (previous year sale of investment, net ₹ 2,502 crores)

Cash flow from financing activities

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Buyback of equity shares	-	(4,000)
Expenses on buyback of equity shares	-	(12)
Dividend paid (including taxes)	(1,625)	(1,321)
Proceeds/Repayment of borrowings (net)	(246)	3,614
Interest paid	(136)	(71)
Capital contribution from non-controlling interests	-	292
Payments for deferred consideration on business acquisitions	(295)	(26)
Payment of lease liabilities including interest (previous year : payment of finance lease liabilities)	(866)	53
Net cash used in financing activities	(3,168)	(1,471)

In fiscal 2020 the Group used ₹ 3,168 crores in financing activities (₹ 1,471 crores in fiscal 2019).

The significant items of financing activities are:

- Payment of dividends including taxes of ₹ 1,625 crores (₹ 1,321 crores in fiscal 2019).
- During the year group has paid ₹ 295 crores (₹ 26 crores in fiscal 2019) on account of deferred payments related to various business acquisitions.
- Payment of lease liabilities including interest during the year of ₹ 866 crores.

Key financial ratio

	Units	Year Ended	
		31 March 2020	31 March 2019
Profitability Ratios			
Operating Profit Margin	%	19.7	19.6
Net Profit Margin	%	15.7	16.8
Return on Net Worth	%	23.9	26.0
Liquidity Ratio			
Current Ratio	Times	1.6	2.4
Management Efficiency Ratio			
Debtors Turnover Ratio	Times	5.5	5.7
Inventory Turnover Ratio	Times	16.9	12.9
Leverage Ratio			
Interest Coverage Ratio - Borrowings	Times	106.1	141.2
Debt Equity Ratio	Times	0.1	0.1

Return on Net Worth

Return on net worth is computed as profit after tax by average net worth. Return on net worth has reduced from 26.0% in FY 2019 to 23.9% in FY 2020 mainly due to increase in working capital requirements and investments on acquisitions consummated during the year.

Current Ratio

Current ratio is computed as current assets by current liabilities. Current ratio has reduced from 2.4 times in FY 2019 to 1.6 times in FY 2020 mainly due to recognition of deferred consideration on acquisition of select IBM software products.

Inventory Turnover Ratio

Inventory turnover ratio is computed as cost of goods sold by average inventory. Inventory turnover ratio has improved from 12.9 times in FY 2019 to 16.9 times in FY 2020 mainly due to change in average inventory.

Standalone results

Standalone results of HCL excludes the performance of its subsidiaries.

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 31 March 2020 prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Results of Operations (Standalone)

(₹ in Crores)

Particulars	Year Ended				Growth %
	31 March 2020		31 March 2019		
	Amount	% Revenue	Amount	% Revenue	
Revenue from operations	32,606	100.0%	26,012	100.0%	25.3%
Purchase of stock-in-trade	144	0.4%	142	0.5%	
Change in inventories of stock-in-trade	4	0.0%	22	0.1%	
Employee benefit expense	9,916	30.4%	8,079	31.1%	22.7%
Outsourcing costs	7,207	22.1%	4,901	18.8%	47.1%
Other expenses	2,555	7.8%	2,450	9.4%	4.3%
Depreciation and amortisation expense	1,952	6.0%	1,276	4.9%	53.0%
Total Expenditure	21,778	66.7%	16,870	64.8%	29.1%
Profit before finance cost, other income & tax	10,828	33.3%	9,142	35.2%	18.4%
Finance cost	238	0.7%	16	0.1%	1387.5%
Other income	587	1.8%	805	3.1%	(27.1%)
Profit before tax	11,177	34.4%	9,931	38.2%	12.5%
Provision for tax	2,208	6.8%	1,746	6.7%	26.5%
Profit after tax	8,969	27.6%	8,185	31.5%	9.6%

Comments:

- **Revenue from operations** increased to ₹ 32,606 crore in FY 2020 as compared to ₹ 26,102 crore in FY 2019 resulting in a growth of 25.3%.
- **Profit before tax (PBT)** increased to ₹ 11,177 crore in FY 2020 as compared to ₹ 9,931 crore in FY 2019 resulting in a growth of 12.5%.
- **Profit after tax (PAT)** increased to ₹ 8,969 crore in FY 2020 as compared to ₹ 8,185 crore in FY 2019 resulting in a growth of 9.6%.

Financial Position (Standalone)

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
ASSETS		
(a) Property, plant and equipment	3,541	3,507
(b) Capital work in progress	311	212
(c) Right-of-use assets	1,030	-
(d) Goodwill	6,410	550
(e) Other intangible assets	11,640	7,178
(f) Other non-current assets	7,053	7,302
(g) Current assets	23,530	18,707
TOTAL ASSETS	53,515	37,456
EQUITY		
(a) Equity share capital	543	271
(b) Other equity	36,753	30,168
TOTAL EQUITY	37,296	30,439
LIABILITIES		
(a) Non - current liabilities	2,278	638
(b) Current liabilities	13,941	6,379
TOTAL EQUITY AND LIABILITIES	53,515	37,456

Current and other non-current Assets

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Other non-current assets	7,053	7,302
Current assets	23,530	18,707
Total	30,583	26,009
Less: Treasury investments	10,797	7,117
Total	19,786	18,892

Current and other non – current assets, excluding treasury assets increased by ₹ 894 crores (₹ 18,892 crores in fiscal 2019 to ₹ 19,786 crores in fiscal 2020); the increase is mainly on account of increase in trade receivables by ₹ 1,259 crores, increase in unbilled receivables by ₹ 782 crores and increase in other receivables by ₹ 893 crores partial offset by decrease in balance with banks in current accounts by ₹ 2,206 crores.

Current and non-current Liabilities

(₹ in Crores)

Particulars	31 March 2020	31 March 2019
Non - current liabilities	2,278	638
Current liabilities	13,941	6,379
Less : Borrowings	178	50
Total	16,041	6,967

Current and non-current liabilities, excluding borrowings, increased by ₹ 9,074 crores (₹ 6,967 crores in fiscal 2019 to ₹ 16,041 crores in fiscal 2020); the increase is mainly on account of (a) increase in Contract liabilities by ₹936 crores, (b) Deferred consideration by ₹ 6,559 crores primarily related to acquisition of select IBM Software products and (c) recognition of lease liabilities by ₹ 832 crores on account of adoption of Ind AS 116.

CASH FLOWS

A summary of the cash flow statement is given below:

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Cash and cash equivalents at the beginning of the year	4,523	210
Net cash generated from operating activities	9,855	8,676
Net cash generated from / (used) in investing activities	(11,091)	995
Cash flows used in financing activities	(1,988)	(5,335)
Net increase / (decrease) in cash and cash equivalents	(3,224)	4,336
Effect of exchange differences on cash and cash equivalents held in foreign currency	(8)	(23)
Cash and cash equivalents at the end of the year	1,291	4,523

Cash flow from operations

The Company generated net cash from operating activities of ₹ 9,855 crore in FY 2020 (8,676 crore in FY 2019)

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Operating profit before working capital changes	12,833	10,523
Effect of working capital changes	(1,227)	231
Cash generated from operations	11,606	10,754
Tax payments made	(1,751)	(2,078)
Net cash generated from operating activities	9,855	8,676

Cash flow from investing activities

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Purchase of property, plant and equipment and intangibles, including capital work in progress and capital advances, net	(928)	(2,312)
(Purchase) / sale of mutual funds and debt securities	(2,797)	2,583
Redemption / maturity of bank deposits (net) having maturity over three months	(1,790)	365
Investment in subsidiaries	(399)	-
Payments for business acquisitions, net of cash acquired	(5,340)	-
Proceeds from loan extended to group company	-	21
Interest and dividend income	298	485
Taxes paid	(135)	(147)
Net cash generated from / used in investing activities	(11,091)	995

In fiscal 2020 the Company used net cash ₹ 11,091 crores in investing activities (net cash generated ₹ 995 crores in fiscal 2019). The significant items of investing activities:

- The Company used ₹ 928 crores for purchase of property, plant and equipment and intangible assets (₹ 2,312 crores in fiscal 2019).
- Fixed deposits with banks (net) of ₹ 1,790 crores have been placed during the year. (net realized ₹ 365 crores in fiscal 2019).
- During the current fiscal, the Company has made payment of ₹ 5,340 crores (net of cash acquired) as purchase consideration (Previous year nil), for acquisitions of select IBM Software products and other acquisitions consummated during the year [for details refer note no 2 to standalone financial statements].
- During the current fiscal year, the Company had made purchase of mutual funds and debt securities, net of ₹ 2,797 crores (previous year sale of investment, net ₹ 2,583 crores).

Cash flow from financing activities

(₹ in Crores)

	Year Ended	
	31 March 2020	31 March 2019
Buyback of equity shares	-	(4,000)
Expenses on buyback of equity shares	-	(12)
Dividend paid (including taxes)	(1,625)	(1,321)
Proceeds from borrowings (net)	128	2
Interest paid	(11)	(4)
Payments for deferred consideration on business acquisitions	(285)	-
Payment of lease liabilities including interest	(195)	-
Net cash used in financing activities	(1,988)	(5,335)

In fiscal 2020 the Company used ₹ 1,998 crores in financing activities (₹ 5,335 crores in fiscal 2019). The significant items of financing activities are:

- Payment of dividends including taxes ₹ 1,625 crores (₹ 1,321 crores in fiscal 2019).
- During the year group has paid ₹ 285 crores on account of deferred payments related to business acquisition.

Key financial ratio

(₹ in Crores)

	Units	Year Ended	
		31 March 2020	31 March 2019
Profitability Ratios			
Operating Profit Margin	%	33.3	35.2
Net Profit Margin	%	27.6	31.5
Return on Net Worth	%	26.5	28.2
Liquidity Ratio			
Current Ratio	Times	1.7	2.9
Management Efficiency Ratio			
Debtors Turnover Ratio	Times	4.7	4.5
Inventory Turnover Ratio	Times	9.3	5.7
Leverage Ratio			
Interest Coverage Ratio - Borrowings	Times	932.4	2,222.2
Debt Equity Ratio	Times	0.0	0.0

Return on Net Worth

Return on net worth is computed as profit after tax by average net worth. Return on net worth has reduced from 28.2% in FY 2019 to 26.5% in FY 2020 mainly due to increase in working capital requirements and investments on acquisitions consummated during the year.

Current Ratio

Current ratio is computed as current assets by current liabilities. Current ratio has reduced from 2.9 times in FY 2019 to 1.7 times in FY 2020 mainly due to recognition of deferred consideration on acquisition of select IBM software products.

Inventory Turnover Ratio

Inventory turnover ratio is computed as cost of goods sold by average inventory. Inventory turnover ratio has improved from 5.7 times in FY 2019 to 9.3 times in FY 2020 mainly due to change in average inventory.

Interest Coverage Ratio

Interest coverage ratio is computed as profit before tax and interest cost by interest cost. Interest coverage ratio has reduced during the year mainly on account of increase in interest cost on fresh term loan taken during the year.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the **Twenty-Eighth Annual Report** of HCL Technologies Limited ("HCL" or the "Company") together with the audited financial statements for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS

Key highlights of the financial results of your Company prepared as per the Indian Accounting Standards (Ind AS) for the financial year ended March 31, 2020 are as under:

(₹ in crore)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from operations	70,676	60,427	32,606	26,012
Other income	589	943	587	805
Total Income	71,265	61,370	33,193	26,817
Total Expenditure	57,285	48,748	22,016	16,886
Profit before tax	13,980	12,622	11,177	9,931
Tax Expense	2,923	2,502	2,208	1,746
Profit for the year	11,057	10,120	8,969	8,185
Other comprehensive income / (loss)	479	190	(488)	24
Total comprehensive income / (loss) for the year	11,536	10,310	8,481	8,209
Earnings per share of ₹2 each *				
Basic (in ₹)	40.75	36.79	33.06	29.76
Diluted (in ₹)	40.75	36.78	33.05	29.75

* The earnings per share have been adjusted for bonus issue for the previous financial year ended March 31, 2019.

2. BUSINESS OVERVIEW AND STATE OF AFFAIRS

The Company empowers global enterprises with technology for the next decade today. The Company's Mode 1-2-3 strategy, through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of Ideapreneurship™ enables businesses to transform into next-gen enterprises.

The Company offers its services and products through three business units - IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Products & Platforms (P&P). ITBS enables global enterprises to transform their businesses through offerings in the areas of Applications, Infrastructure, Digital Process Operations and next generational Digital Transformation Solutions. ERS offers engineering services and solutions in all aspects of product development and platform engineering. Under P&P, the Company provides modernized software products to global clients for their technology and industry-specific requirements.

Through its cutting-edge co-innovation labs, global delivery capabilities and broad global network, the Company delivers

holistic services in various industry verticals, categorized under Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences & Healthcare and Public Services.

On a consolidated basis, the Company's revenue from operations was ₹70,676 crore in the current year, as against ₹60,427 crore in the previous year, marking an increase of 16.7%. The profit for the year was ₹11,057 crore in the current year, as against ₹10,120 crore in the previous year, marking an increase of 9.3%.

On a standalone basis, the Company's revenue from operations was ₹32,606 crore in the current year, as against ₹26,012 crore in the previous year, marking an increase of 25.3%. The profit for the year was ₹8,969 crore in the current year, as against ₹8,185 crore in the previous year, marking an increase of 9.6%.

The state of affairs of the Company is presented as part of the Management Discussion and Analysis Report forming part of the Annual Report.

3. DIVIDEND

During the financial year ended March 31, 2020, your Directors had declared and paid four interim dividends as per the details given below:

S. No.	Interim dividend paid during financial year ended March 31, 2020	Date of Declaration	Rate of dividend per share (face value of ₹2 each)	Amount of Dividend paid	Dividend Distribution tax paid by the Company	Total Outflow
					(₹ in crore)	
1	1 st Interim Dividend	May 9, 2019	2.00	271.26	45.90	317.15
2	2 nd Interim Dividend	August 7, 2019	2.00	271.27	55.55	326.83
3	3 rd Interim Dividend	October 23, 2019	2.00	271.32	55.56	326.88
4	4 th Interim Dividend	January 17, 2020	2.00	542.73	111.14	653.87
Total				1,356.58	268.15	1,624.73

Note: The Company, on December 10, 2019, allotted 1,35,68,32,548 equity shares as bonus shares of ₹2/- each fully paid-up in the proportion of 1 equity share for every 1 equity share of ₹2/- each held by the equity shareholders of the Company. Consequent to the said bonus issue, the number of equity shares of the Company increased to 2,71,36,65,096 equity shares of ₹2/- each.

Further, the Board of Directors in its meeting held on May 6-7, 2020 recommended a final dividend of ₹2 per equity share of face value of ₹2 each fully paid up, for the financial year 2019-20, subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

4. TRANSFER TO GENERAL RESERVES

No amount was transferred to the General Reserves for the financial year ended March 31, 2020.

5. SHARE CAPITAL

During the financial year under review, the Company issued and allotted 5,53,680 fully paid up equity shares of ₹2/- each under its Employees Stock Option Plan.

Issue of Bonus Equity Shares

Pursuant to the approval of the shareholders on November 29, 2019 through postal ballot (including remote e-voting), the Company has allotted 1,35,68,32,548 bonus shares of ₹2/- each fully paid-up on December 10, 2019 in the proportion of 1 equity share for every 1 equity share of ₹2/- each held by the equity shareholders of the Company as on the record date of December 7, 2019.

Consequently, the issued, subscribed and paid-up share capital of the Company as on March 31, 2020, was ₹5,42,73,30,192/- divided into 2,71,36,65,096 equity shares of face value of ₹2/- each.

Increase in the Authorised Share Capital

The issue of bonus shares required an increase in the Authorised Share Capital of the Company. Accordingly, pursuant to the approval of the members of the Company vide resolution dated November 29, 2019 passed through postal ballot / remote e-voting, the Authorized Share Capital of the Company was increased from ₹3,00,00,00,000 divided into 1,50,00,00,000 equity shares of ₹2/- each to ₹6,00,00,00,000 divided into 3,00,00,00,000 equity shares of ₹2/- each.

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, in terms of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), is attached and forms a part of the Annual Report.

7. ACQUISITIONS

Acquisitions consummated during the financial year 2019-20 are summarized as below –

Strong-Bridge Holdings, Inc.

The Company, through its step-down wholly-owned subsidiary HCL America Inc. acquired Strong-Bridge Holdings, Inc. (doing business as Strong-Bridge Envision or SBE), a Delaware company. SBE is a provider of digital transformation strategy consulting, digital / agile program management and organizational change management. Pursuant to this acquisition, Strong-Bridge Holdings, Inc. and its subsidiaries have become the wholly-owned step-down subsidiaries of the Company with effect from April 1, 2019 being the date of completion of acquisition.

IBM Software Products

The Company entered into a definitive agreement with IBM Corporation, USA, for the asset purchase of IBM's seven software products for an aggregate amount of USD 1.8 billion, across three portfolios - Security – AppScan and BigFix; Marketing – Commerce Software, Unica and DX Software and Collaboration Solutions – Notes/Domino and Connections. The transaction was completed on June 30, 2019.

Sankalp Semiconductor Private Limited

The Company acquired Sankalp Semiconductor Private Limited ("Sankalp"), a company incorporated in India. Sankalp is an advanced technology design services provider offering comprehensive digital & mixed signal SoC (System-on-Chip) services and solutions from concept to prototype, in the semiconductor space. Pursuant to this acquisition, Sankalp Semiconductor Private Limited and all its subsidiaries have become the step-down subsidiaries of the Company with effect from October 10, 2019, being the date of completion of the acquisition.

8. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on March 31, 2020, the Company has 137 subsidiaries and 11 associate companies within the meaning of Sections 2(87) and 2(6) of the Companies Act, 2013 ("Act") respectively. During the year under review, there has been no material change in the nature of business of the subsidiaries.

As per the provisions of Section 129(3) of the Act, a statement

containing the salient features of the financial statements of the Company's subsidiaries, associates and joint ventures in Form AOC-1 forms part of this Annual Report.

In accordance with the provisions of Section 136 of the Act and Regulation 46 of the Listing Regulations, the standalone and consolidated financial statements of the Company along with relevant documents and the financial statements in respect of the subsidiaries for the financial year ended March 31, 2020, would be available on the website of the Company. The Company would provide the financial statements of the subsidiaries and the related detailed information to the shareholders on specific request made in this regard by the shareholders.

Note: The word "subsidiaries" used in this Annual Report includes both direct and step-down subsidiaries.

Subsidiaries incorporated during the year –

1. HCL Technologies Bulgaria EOOD., a private limited company, was incorporated under the laws of Bulgaria as a wholly-owned step-down subsidiary of the Company.
2. HCL Technologies Azerbaijan LLC, a private limited company, was incorporated under the laws of Azerbaijan as a wholly-owned step-down subsidiary of the Company.
3. HCL Technologies (Vietnam) Company Limited, a private limited company, was incorporated under the laws of Vietnam as a wholly-owned step-down subsidiary of the Company.
4. H C L Technologies Lanka (Private) Limited, a private limited company, was incorporated under the laws of Sri Lanka as a wholly-owned subsidiary of the Company.
5. HCL Technologies Trinidad and Tobago Limited, a private limited company, was incorporated under the laws of Trinidad and Tobago as a wholly-owned step-down subsidiary of the Company.

Subsidiaries closed during the year –

1. Actian Netherlands Holding BV, a step-down subsidiary of the Company having its registered office in Netherlands, was not in operations and was therefore voluntarily dissolved during the year.

Merger of Subsidiaries during the year –

Merger of subsidiaries incorporated in India.

The Board of Directors of the Company on May 9, 2019, had approved the scheme of amalgamation ("Scheme") providing for the amalgamation of four of its direct / step-down wholly-owned subsidiaries namely; HCL Eagle Limited, HCL Comnet Limited, HCL Technologies Solutions Limited and Concept2Silicon Systems Private Limited ("Transferor Companies") with and into the Company ("Transferee Company"). The Scheme was then approved by the respective Board of Directors of the Transferor Companies on May 10, 2019. The Scheme was subject to the approval of the Hon'ble National Company Law Tribunal, New Delhi ("NCLT New Delhi") (HCL Technologies Limited, HCL Eagle Limited and HCL Comnet Limited having registered office in Delhi) and the Hon'ble National Company Law Tribunal, Bengaluru ("NCLT Bengaluru") (HCL Technologies Solutions Limited and Concept2Silicon Systems Private Limited having registered office in Bengaluru).

The NCLT, New Delhi, vide its Order dated December 12, 2019 along with its Modification Order dated 23 January 2020

("Delhi Order"), sanctioned the Scheme and the certified copy of the Delhi Order was filed with the Registrar of Companies on March 13, 2020. The NCLT, Bengaluru is yet to pass the necessary order for the above said Scheme. The Scheme will be effective from the date on which the certified copy of the Bengaluru Order is filed with the Registrar of Companies.

The Appointed date of the Scheme is April 1, 2019.

Merger of subsidiaries incorporated outside India

1. Strong-Bridge Holdings, Inc. (having its registered office in Delaware, USA), Strong-Bridge LLC (having its registered office in Washington, USA) and Envision Business Consulting, LLC (having its registered office in Colorado, USA), wholly-owned step-down subsidiaries of the Company, were merged with and into HCL America Inc. (having its registered office in California, USA), another wholly-owned step-down subsidiary of the Company.
2. Poet Holdings, Inc. (having its registered office in Delaware, USA), a step-down subsidiary of the Company was merged with and into Versant Software LLC (having its registered office in Delaware, USA), another step-down subsidiary of the Company.
3. ParAccel LLC (having its registered office in California, USA), a step-down subsidiary of the Company, was merged with and into Actian Corporation (having its registered office in Delaware, USA), another step-down subsidiary of the Company.
4. HCL Italy SRL (having its registered office in Italy), a wholly-owned step-down subsidiary of the Company, was merged with and into HCL Technologies Italy SPA (having its registered office in Italy), another wholly-owned step-down subsidiary of the Company.
5. CeleritiFinTech Germany GmbH (having its registered office in Germany), a step-down subsidiary of the Company, was merged with and into HCL Technologies Germany GmbH (having its registered office in Germany), a wholly-owned step-down subsidiary of the Company.

Other restructurings during the year –

1. The Government of South Africa has issued a Broad Based Black Economic Empowerment ("BBBEE") policy for the upliftment of Black nationals and for enhancing their economic participation. Pursuant to the said Policy, South African companies having at least 51% black ownership are eligible to attain the Level 2 BEE (Black Economic Empowerment) rating, which provides higher recognition and eligibility to participate in RFPs floated by South African clients. During the year under review, HCL Technologies Pty. Limited, a wholly-owned step-down subsidiary of the Company in South Africa has attained the said Level 2 BEE rating.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an optimum combination of Executive, Non-Executive and Independent Directors.

Board of Directors

As on the date of this Report, the Board of Directors of the Company consists of twelve members, of which three are

women directors. The Board consists of one Managing Director and eleven Non-Executive Directors of which nine are Independent Directors. The Managing Director is the Promoter Director who is designated as the Chairman & Chief Strategy Officer of the Company.

Appointment(s) / Re-appointment(s)

The Board of Directors of your Company appointed / re-appointed the following Directors during the financial year:

Appointments -

1. Dr. Mohan Chellappa (DIN - 06657830) was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019 and has been recommended for appointment as a Non-Executive Independent Director in the ensuing AGM of the Company to be held in the year 2020, for a period of five consecutive years.
2. Mr. Shikhar Neelkamal Malhotra (DIN - 00779720) was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019 and has been recommended for appointment as a Non-Executive Non-Independent Director in the ensuing AGM of the Company to be held in the year 2020, liable to retire by rotation.
3. Mr. Simon John England (DIN - 08664595) was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020 and has been recommended for appointment as a Non-Executive Independent Director in the ensuing AGM of the Company to be held in the year 2020, for a period of five consecutive years.

Re-appointments -

4. Mr. R. Srinivasan, Ms. Robin Ann Abrams, Dr. Sosale Shankara Sastry and Mr. S. Madhavan were re-appointed as Independent Directors of the Company by way of special resolution for a second term of five consecutive years at the Twenty-Seventh AGM of the Company held on August 6, 2019.
5. Mr. Thomas Sieber was appointed as an Independent Director of the Company at the Twenty-Third AGM of the Company held on December 22, 2015, for a period of five consecutive years. His first term of appointment shall end at the conclusion of the ensuing AGM of the Company to be held in the year 2020. Considering his immense contributions towards the Company and pursuant to the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on May 6-7, 2020 recommended to the shareholders of the Company, the re-appointment of Mr. Thomas Sieber as an Independent Director for a second term of five consecutive years.

The Independent Directors have furnished the certificate of independence stating that they meet the criteria of independence as mentioned under Section 149 (6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Based on the disclosures received from all Independent Directors and also in the opinion of the Board of Directors, the Independent Directors fulfill the conditions as specified in the Act and the Listing Regulations and are independent of the Management.

Cessation(s)

1. Mr. Sudhindar Krishan Khanna (DIN - 01529178), a Non-Executive Non-Independent Director of the Company, resigned from the Board of the Company w.e.f. April 8, 2019 due to health reasons.
2. Mr. James Philip Adamczyk (DIN - 08151025), a Non-Executive Independent Director of the Company, ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise.

The Board placed on record its sincere appreciation and gratitude for the valuable services, guidance and contribution of Mr. Sudhindar Krishan Khanna and Mr. James Philip Adamczyk to the Company during their tenure as a member of the Board / its Committees.

Retirement by Rotation

As per the provisions of Section 152 (6) of the Act, Ms. Roshni Nadar Malhotra shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment as the Director of the Company.

10. NUMBER OF MEETINGS OF THE BOARD

During the year, five meetings of the Board of Directors were held. The details of the meetings are provided in the Corporate Governance Report which forms part of this Annual Report.

11. BOARD COMMITTEES

As on March 31, 2020, the Company had the following 7 Board Committees:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination and Remuneration Committee
4. Finance Committee
5. Stakeholders' Relationship Committee
6. Risk Management Committee
7. Diversity Committee

The composition of Committees as on March 31, 2020 was as under:

S. No.	Committee Meetings	Composition
1	Audit Committee	Mr. S. Madhavan (Chairman) Mr. Deepak Kapoor Ms. Nishi Vasudeva Ms. Robin Ann Abrams
2	Corporate Social Responsibility Committee	Ms. Roshni Nadar Malhotra (Chairperson) Mr. Shiv Nadar Mr. S. Madhavan
3	Nomination and Remuneration Committee	Mr. R. Srinivasan (Chairman) Mr. Shiv Nadar Ms. Robin Ann Abrams Ms. Roshni Nadar Malhotra
4	Finance Committee	Mr. S. Madhavan (Chairman) Mr. Shiv Nadar Ms. Roshni Nadar Malhotra Mr. R. Srinivasan Mr. Thomas Sieber
5	Stakeholders' Relationship Committee	Mr. S. Madhavan (Chairman) Mr. Shiv Nadar Ms. Roshni Nadar Malhotra

S. No.	Committee Meetings	Composition
6	Risk Management Committee	Mr. S. Madhavan (Chairman) Mr. Deepak Kapoor Ms. Nishi Vasudeva Ms. Robin Ann Abrams
7	Diversity Committee	Ms. Robin Ann Abrams (Chairperson) Ms. Roshni Nadar Malhotra Mr. Shiv Nadar

Note: The following changes have taken place in the composition of the Board Committees after March 31, 2020 till the date of this Report -

1. Mr. Shikhar Neelkamal Malhotra was co-opted as a member of the Nomination and Remuneration Committee and Mr. Shiv Nadar ceased to be a member of the Nomination and Remuneration Committee w.e.f. May 6, 2020.
2. Mr. Shikhar Neelkamal Malhotra was co-opted as a member of the Finance Committee w.e.f. May 6, 2020.

In addition to the above, during the year under review, the Company also had in place, an Employees' Stock Options Allotment Committee, to allot shares to the employees who had exercised their stock options under the Stock Option Plans of the Company. However, since the last of the Stock Option Plans of the Company ("2004 Stock Option Plan") terminated in December 2019, the said committee is redundant as on the close of the year.

The number of meetings held and other requisite details of the Board Committees are set out in the Corporate Governance Report which forms part of this Annual Report.

12. FAMILIARIZATION PROGRAMME

The details of the familiarization programme have been provided under the Corporate Governance Report which forms part of this Annual Report.

13. BOARD EVALUATION

The Annual Performance Evaluation of the Board, its Committees, the Chairman of the Board and the individual Directors was undertaken by the Board of Directors / Independent Directors in terms of the provisions of the Act and the Listing Regulations. The evaluation was carried out in terms of the framework and criteria of evaluation as approved by the Nomination and Remuneration Committee of the Company. The process and criteria of evaluation is explained in the Corporate Governance Report, which forms part of this Annual Report.

14. STATUTORY AUDITORS AND STATUTORY AUDITORS' REPORT

M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022), were appointed as the Statutory Auditors of your Company in the Annual General Meeting held on August 6, 2019 for a term of five consecutive years from the conclusion of the Twenty-Seventh AGM of the Company held for the year 2019 on August 6, 2019 till the conclusion of the Thirty-Second AGM to be held in the year 2024. The Statutory Auditors have confirmed that they are not disqualified to serve as the auditors of the Company.

Statutory Auditors' Report

There are no qualifications, reservations, adverse remarks or disclaimer made by M/s. B S R & Co. LLP, Statutory Auditors in their report for the financial year ended March 31, 2020. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company for the financial year under review.

15. SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, M/s. Chandrasekaran Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors of the Company for the financial year ended March 31, 2020. The report of the Secretarial Auditors is enclosed as Annexure 1 to this Report. The report is self-explanatory and does not call for any further comments. There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditors in their report for the financial year ended March 31, 2020.

16. MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, and accordingly, such cost accounts and records are not maintained by the Company.

17. EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the extract of the Annual Return in Form MGT-9, for the financial year ended March 31, 2020, is enclosed as Annexure 2 to this Report.

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee of the Company formulates the criteria for determining the qualifications, positive attributes and independence of Directors in terms of its charter. In evaluating the suitability of individual Board member, the Committee takes into account factors such as educational and professional background, general understanding of the Company's business dynamics, professional standing, personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The Committee also assesses the independence of Directors at the time of their appointment / re-appointment as per the criteria prescribed under the provisions of the Act and the rules made thereunder and the Listing Regulations.

The Remuneration Policy for Directors, Key Managerial Personnel and other employees is provided in the Corporate Governance Report forming part of this Report.

19. RISK MANAGEMENT POLICY

The Board of Directors of the Company have formed a Risk Management Committee to inter-alia assist the Board in overseeing the responsibilities with regard to identification, evaluation and mitigation of operational, strategic and external environmental risks. In addition, the Audit Committee is also empowered to oversee the areas of risks and controls.

The Company has developed and implemented a Risk Management Policy that ensures appropriate management of risks in line with its internal systems and culture.

20. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal financial control systems are commensurate with its size and nature of its operations and such internal financial controls are adequate and are operating effectively. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of

the business. These controls have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, adherence to the Company's policies, safeguarding of assets from unauthorized use and prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

21. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements which forms part of this Annual Report.

23. TRANSACTIONS WITH RELATED PARTIES

The particulars of transactions entered into with the related parties referred to in Section 188(1) and applicable rules of the Act, have been given in Annexure 3 in Form AOC-2 which forms part of this Report. The Company also has in place a 'Related Party Policy', which is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

24. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ('CSR') Committee is *inter-alia* responsible for formulating and monitoring the CSR Policy of the Company. A brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 4 of this Report in the form as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

25. DIVIDEND DISTRIBUTION POLICY

The Company has formulated and published a Dividend Distribution Policy which provides for the circumstances under which the shareholders may / may not expect dividend, the financial parameters, internal and external factors, utilization of retained earnings, parameters with regard to different classes of shares etc. The provisions of this Policy are in line with Regulation 43A of the Listing Regulations, and the Policy is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>. The details of the Dividend Distribution Policy forms part of the Corporate Governance Report annexed with this Annual Report.

26. UNCLAIMED DIVIDENDS AND TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 of the Act, those dividend amounts which have remained unpaid or unclaimed for a period of seven consecutive 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 125 of the Act. The details of the unpaid / unclaimed dividend amount which will be transferred to IEPF in the subsequent years are given in the Corporate Governance section of this Annual Report.

Further, according to the IEPF Authority (Accounting, Audit,

Transfer and Refund) Rules, 2016 ("the IEPF Rules"), the shares in respect of which dividends have not been paid or claimed by the shareholders for seven consecutive years or more are also required to be transferred to the demat account created by the IEPF Authority. Accordingly, during the year, the Company has transferred 7,226 equity shares to the demat account of the IEPF Authority. In addition, the Company also transferred the bonus equity shares to the IEPF in respect of the shares that were already transferred to the IEPF till the date of the issue of bonus shares. The details of such shares are available on the website of the Company at <https://www.hcltech.com/investors/iepf-details>.

27. DEPOSITS

The Company has not accepted any deposits from the public.

28. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report in terms of Regulation 34(3) of the Listing Regulations, along with the Statutory Auditors' certificate is attached and forms part of this Annual Report.

29. BUSINESS RESPONSIBILITY REPORT

The Listing Regulations mandates the inclusion of Business Responsibility Report ('BRR') as part of the Annual Report for top 1000 listed companies based on market capitalization. In compliance with this regulation, the Company has prepared a BRR for the financial year 2019-20 which describes the initiatives taken by the Company from an environmental, social and governance perspective and the same forms part of this Annual Report.

30. INSIDER TRADING REGULATIONS

Pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), the Company has adopted a Code of Conduct on Prohibition of Insider Trading ('Insider Trading Code') and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') incorporating the amendments in SEBI (Prohibition of Insider Trading) Regulations, 2015. The Fair Disclosure Code is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

31. AWARDS AND RECOGNITIONS

Your Company relentlessly pursues excellence and is delighted to receive phenomenal share of recognitions and awards, not only from the media, but also from analysts, governing bodies, academic institutions, partners and even customers. Some of the key honors received by the Company during the year include:

Awards –

1. The Company has been awarded 'Best Robotic Process Automation (RPA) and Artificial Intelligence (AI) Implementation of the Year' at the Golden Globe Tigers Award for Excellence and Leadership in Outsourcing.
2. The Company has been awarded with the Silver and Bronze Stevie® Awards at the 17th Annual American Business Awards® for EXACTO™, which harnesses the latest innovations in AI, Machine Learning and Computer Vision techniques that integrate seamlessly with Robotic Process Automation to create differentiated solutions.

3. The Company has been awarded for outstanding achievement in Intelligent Automation Implementation in Banking and Financial Services at the CMO Asia's Outsourcing Excellence Awards.
4. The Company has been awarded 'Best Innovation in Intelligent Automation Product' at the ET NOW – Stars of the Industry Awards for Excellence in Outsourcing, 2019.
5. The Company has been awarded at the Adobe Experience Maker Awards 2019 for delivering Best Data Driven Experience for Manchester United's millions of fans across the globe.
6. HCL Foundation, the CSR arm of the Company, has also won many awards including the 'Changemaker Award' at the Right Start National Summit and the First Runner Up Award at the MCCI TAFE CSR Awards 2019. It was also recognized by the Basic Directorate of Education, Government of Uttar Pradesh for creating a pathway to new education and changing the horizon of the education ecosystem of Uttar Pradesh.

Recognitions –

1. The Company was positioned as a 'Leader' in
 - Gartner Magic Quadrant for Data Centre Outsourcing and Hybrid Infrastructure Managed Services in 2019, North America and Europe; and
 - Gartner Magic Quadrant for Managed Workplace Services in 2020, North America and Europe.

Disclaimer: Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

2. The Company was positioned as a 'Leader' in The Forrester Wave™ for Application Modernization and Migration Services, 2019.
3. The Company was positioned as a 'Leader' in IDC Market Scape for:
 - Worldwide Artificial Intelligence Services 2019. (IDC Doc # US45040519, April 2019)
 - Worldwide Managed Cloud Service 2019. (IDC Doc #US43251618, July 2019)
 - Worldwide Intelligent Automation Services 2019. (Doc #US44934619, September 2019)
 - Worldwide Digital Workspace Services 2020. (Doc #US45407619, March 2020)
 - Worldwide Business and Industrial IoT Engineering and Managed Services 2020. (Doc #US46120820, March 2020)
 - Worldwide Business and Industrial IoT Consulting and Systems Integration Services 2020. (Doc #US46121220, March 2020)
4. The Company was positioned as a 'Leader' in the Avasant's Cybersecurity Services RadarView™ 2020.
5. The Company was positioned as a 'Leader' in Everest

Group's:

- Digital Workplace Services PEAK Matrix® Assessment 2019.
 - Software Product Engineering Services PEAK Matrix® Assessment 2019.
 - Talent Readiness for Next-Gen IT Services PEAK Matrix® Assessment 2020.
 - Enterprise Blockchain Services PEAK Matrix® Assessment 2020.
 - Cloud Services PEAK Matrix® Assessment 2020.
 - Network Transformation and Managed Services PEAK Matrix® Assessment 2020.
 - Application Transformation Services PEAK Matrix® Assessment 2020.
6. The Company was recognized as a 'Leader' in ISG Provider Lens™ Research Quadrant for:
 - SAP HANA and Leonardo Ecosystem Partners:
 - SAP S/4HANA & Business Suite on HANA Transformation, Global 2019.
 - SAP S/4HANA & Business Suite on HANA Managed Services, Global 2019.
 - SAP Leonardo Transformation, Global 2019.
 - SAP Cloud Platform Support Services, Global 2019.
 - SAP BW/4 on HANA and BW on HANA Transformation & Operations, Global 2019.
 - Next-Gen Application Development & Maintenance (ADM) Services:
 - Next- Gen ADM, USA 2019.
 - DevOps Consulting, USA 2019.
 - Continuous Testing, USA 2019.
 - Agile Development, USA 2019.

32. SUSTAINABILITY

The Company believes in a better tomorrow and based on this strong belief has embarked on a Sustainability programme. The Company's continuous focus on improving all aspects of sustainability demonstrates its commitment to a sustainable tomorrow without compromising on the well-being of its employees today. To do this, the Company partners with multiple stakeholders to form an inclusive working group to create policies, processes and other organizational measures. Today, the Sustainability function runs a vital program to drive the sustainability vision within the organization.

The ongoing success of the programme depends on a consistent and sustainable vision, ease and flexibility of implementation and most importantly Employee Engagement. At HCL, sustainability actions are a part of everyday operations. It believes that responsible investments in sustainability will generate long term value for all the stakeholders by improving competitiveness and reducing risk.

Sustainability can be created when we are able to integrate broader societal concerns into business strategy and performance as part of the Company's business model. This common sense of ownership can be realized by incorporating the interests of all those with whom the Company has mutually dependent relationships.

33. ORGANIZATION EFFECTIVENESS

Employee Strength and Expansion

As we close out another successful year, the Company along with its subsidiaries has attained impressive employee additions and an employee strength of 1,50,423 and continues to build and support the business strategy of “Mode 1-2-3”.

The emphasis and commitment to talent localization continues. The Company believes that this strategy confers competitive advantages in a tightening regulatory environment with respect to workforce mobility. The focus on tapping the unique advantages of tier 2 cities in India continues. These cities enable higher operational resilience, stability and scalability.

The Company prides itself in employing people from different geographies and nationalities, creating a unique fabric of values and traditions. As on March 31, 2020, the Company employed resources from 155 nationalities spread across 46 countries, and women represented 26.8% of the global workforce.

Talent Acquisition

The talent acquisition practices of the Company are aligned to its Mode 1-2-3 strategy. The Company has leveraged digital technologies to enhance the quality and experience of its talent acquisition programs. The automation is set to accelerate business towards greater success, helping the employees use and develop their talents, skills and experience, contributing to the Company’s long-term goals.

As finding top talent today depends on an organization’s ability to intelligently automate their workflow, the Company streamlined critical aspects of its recruiting workflow with automation by introducing “*Techruiit*” which is its technology transformation initiative for talent acquisition.

The intent of integration is to provide an end-to-end converged selection process through search and match tool and digital assessment and interview management platform for recruiters, hiring managers and candidates. This is to reduce the cycle time from screening to selection through improved process efficiency resulting in improved recruitment experience and quality of hire.

Under “*Techruiit*”, there are three key initiatives bringing innovative transformation at the Company’s talent acquisition suite:

1. Recruitment automation for resume screening
2. Recruitment automation for pre-qualification / interest check
3. Recruitment automation for interviews and assessments

With an impressive gross hiring of 51,542 professionals across the globe, the Company leveraged artificial intelligence and data science to hire the right talent at the right time.

Talent Development

The Company’s Talent Development Centre of Excellence (CoE) is a key partner to current and future strategic imperatives where business strategies are tied into talent development approach by understanding “*What’s driving the business and therefore what should be driving the People*”.

In alignment to the Company’s Mode 1-2-3 strategy, it offers a robust and nurturing learning framework to empower HCLites

with the relevant skill sets to become 21st century leaders. This translates into a portfolio of learning solutions designed to address the competencies relevant to each talent segment, thus creating an integrated and comprehensive learning ecosystem focusing on the development of Ideapreneurs and driving key business outcomes. The continuous effort and focus being to build a productive learning culture via LEARN|UNLEARN|RELEARN mind set.

Diversity and Inclusion

The Company’s diversity and inclusion strategy focuses on talent attraction, talent growth and talent retention and its corporate vision and strategy strongly endorses this principle of providing the employees with a work environment free of all kind of biases and full of growth opportunities where employees are enabled to reach their full potential. Programs on career development, networking and advocacy are helping in building an inclusive workforce which goes beyond demographic differences to include gender, nationality, culture, ethnicity, age, sexual orientation and the differing abilities of individuals. The Company has seen an increase of 39% women in senior leadership from last year and the gender diversity ratio for senior leadership stands at 7.5% against 5.4% last year. The overall gender diversity rate is currently at 26.8%.

Recognition of HCL Culture and Engagement Practices across the world

To reinforce alignment of core beliefs and actions, the Company continues to transform its policies, processes and practices. This has further enabled and empowered the employees, a fact that has been well recognized by various industry forums and leading associations. Our distinctive people practices continue to win accolades across the globe.

1. The Company has been certified as the Top Employer Europe by the Top Employer Institute, earning the position of Top Employer for the first time in Germany, Netherlands, France, Poland and Sweden; Top Employer in the United Kingdom for the fourteenth consecutive year; and Top Employer in South Africa.
2. HCL Technologies UK Limited, a step-down subsidiary of the Company, has been recognized as Highly Commended Company of the Year by the Employee Engagement Awards.
3. The Company has won the NASSCOM Corporate award for “Excellence in Gender Inclusion” for best practices for gender inclusion to support organizational vision and create positive outcomes.

The Company has also received various recognitions by Jobforher including ‘Top5 Most Innovative Practices’ for its DivHERsity Programs; ‘Top20 Companies in DivHERsity’ (Large Enterprises) and ‘Top20 Most Innovative Practices’ for Women Returnee Programs, Women L&D Programs and Women Leadership Development Programs.

4. The Company was felicitated with various Brandon Hall Group Excellence Awards under various categories including ‘Best advance in Talent Acquisition Technology’ and ‘Best Unique or Innovative Learning and Development Program’.
5. The Company has won the Business World HR Excellence Award 2019 for its recruitment automation program “*Techruiit*”.
6. The Company has won the “Best Innovation in Employee Engagement” award by UBS Forums for demonstrating exceptional innovation in engaging the employees.

7. The Company has won the Best 50 People Capital Index (PCI) companies for 2019, being an indicator of employee perception on how well the organization is developing their people capital.

8. The Company has been rated a 'Leader' in the Inaugural edition of Everest Group's Talent Readiness for Next Generation IT Services PEAK Matrix Assessment 2020.

34. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures of particulars as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 to the extent applicable to the Company, are set out in Annexure 5 to this Report.

35. 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 134(3)(c) of the Act, is annexed as Annexure 6 to this Report.

36. 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 7 to this Report.

37. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of Director	Ratio to median remuneration of employees
Executive Director		
1	Mr. Shiv Nadar ⁽¹⁾	46.86
Non-Executive Directors		
2	Mr. Deepak Kapoor	6.36
3	Mr. James Philip Adamczyk ⁽²⁾	-
4	Mr. S. Madhavan	8.20
5	Dr. Mohan Chellappa ⁽³⁾	-
6	Ms. Nishi Vasudeva	6.40
7	Ms. Robin Ann Abrams	12.74
8	Ms. Roshni Nadar Malhotra	7.55
9	Dr. Sosale Shankara Sastry	10.18
10	Mr. Shikhar Neelkamal Malhotra ⁽⁴⁾	-
11	Mr. R. Srinivasan	11.97
12	Mr. Simon John England ⁽⁵⁾	-
13	Mr. Sudhindar Krishan Khanna ⁽⁶⁾	-

Sl. No.	Name of Director	Ratio to median remuneration of employees
14	Mr. Thomas Sieber	9.87

Notes :

The remuneration of Non-Executive Directors also includes sitting fees paid during the year.

(1) The ratio has been calculated after taking into account the remuneration drawn from the Company as well as the subsidiaries.

(2) Mr. James Philip Adamczyk ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise. Hence, the said information is incomparable and not provided.

(3) Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019. Hence, the said information is incomparable and not provided.

(4) Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019. Hence, the said information is incomparable and not provided.

(5) Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020. Hence, the said information is incomparable and not provided.

(6) Mr. Sudhindar Krishan Khanna resigned as a Director of the Company w.e.f. April 8, 2019. Hence, the said information is incomparable and not provided.

B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Sl. No.	Name of Director	% increase in remuneration in the financial year
Directors		
1	Mr. Shiv Nadar ⁽¹⁾	(2.68)
2	Mr. Deepak Kapoor	(0.93)
3	Mr. James Philip Adamczyk ⁽²⁾	-
4	Mr. S. Madhavan	(0.72)
5	Dr. Mohan Chellappa ⁽³⁾	-
6	Ms. Nishi Vasudeva	0.62
7	Ms. Robin Ann Abrams	5.88
8	Ms. Roshni Nadar Malhotra	(1.80)
9	Dr. Sosale Shankara Sastry	7.91
10	Mr. Shikhar Neelkamal Malhotra ⁽⁴⁾	-
11	Mr. R. Srinivasan	6.47
12	Mr. Simon John England ⁽⁵⁾	-
13	Mr. Sudhindar Krishan Khanna ⁽⁶⁾	-
14	Mr. Thomas Sieber	4.58
Key Managerial Personnel ⁽⁷⁾		
15	Mr. C. Vijayakumar (President & Chief Executive Officer) ⁽⁸⁾	319.80
16	Mr. Prateek Aggarwal (Chief Financial Officer) ⁽⁹⁾	-
17	Mr. Manish Anand (Company Secretary)	44.07

Notes:

The remuneration of Non-Executive Directors also includes sitting fees paid during the year.

- (1) The % has been calculated after taking into account the remuneration drawn from the Company as well as the subsidiaries and the change is on account of exchange rate difference.
- (2) Mr. James Philip Adamczyk ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise. Hence, the said information is incomparable and not provided.
- (3) Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019. Hence, the said information is incomparable and not provided.
- (4) Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019. Hence, the said information is incomparable and not provided.
- (5) Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020. Hence, the said information is incomparable and not provided.
- (6) Mr. Sudhinar Krishan Khanna resigned as a Director of the Company w.e.f. April 8, 2019. Hence, the said information is incomparable and not provided.
- (7) The remuneration paid to the Key Managerial Personnel includes Long Term Incentive which was disbursed by the Company during the financial year 2019-20.
- (8) Mr. C Vijayakumar is not getting any remuneration from the Company, however, he receives remuneration from HCL America Inc., a wholly-owned step-down subsidiary of the Company.
- (9) Mr. Prateek Aggarwal was appointed as the CFO of the Company w.e.f. October 1, 2018. Accordingly, the said information is incomparable and not provided.

C. The percentage increase in the median remuneration of employees in the financial year: 4.34%

D. The number of permanent employees on the rolls of Company: There were 73,686 permanent employees on the rolls of the Company. In addition, the Company had 76,737 number of employees on the rolls of its subsidiaries.

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 4.33%.

Mr. Shiv Nadar being the Managing Director is the managerial person of the Company. There has been no change in the overall remuneration of Mr. Shiv Nadar. In addition to receiving remuneration from the Company, Mr. Shiv Nadar receives remuneration from HCL America Inc., a wholly-owned step-down subsidiary of the Company, hence, the difference of -2.68% in the remuneration as appearing above is on account of exchange rate difference.

F. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

38. STATEMENT OF EMPLOYEES PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A list containing the top ten employees in terms of the remuneration drawn in the financial year 2019-20 and a statement containing the names of the employees employed throughout the financial year and in receipt of remuneration of ₹1.02 crore or more and employees employed for part of the year and in receipt of ₹8.50 lacs or more per month, pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure 8 to this Report.

39. VIGIL MECHANISM / WHISTLEBLOWER POLICY

The Company has formulated and published a Whistleblower Policy to provide Vigil Mechanism for employees including the Directors of the Company to report genuine concerns (including reporting of instances of leakage of unpublished price sensitive information) and to ensure strict compliance with ethical and legal standards across the Company. The provisions of this Policy are in line with the provisions of the Section 177(9) of the Act and the Listing Regulations, and are available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>. The details of the Whistleblower Policy form part of the Corporate Governance Report annexed with this Annual Report.

40. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention and Redressal of Sexual Harassment at Workplace Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted an Internal Committee for the redressal of all sexual harassment complaints. These matters are also being reported to the Audit Committee. The details of the Policy and the complaints are given under Corporate Governance Report and the Business Responsibility Report respectively, annexed with this Annual Report.

41. ACKNOWLEDGEMENTS

The Board wishes to place on record its appreciation of the significant contributions made by the employees of the Company and its subsidiaries during the year under review. The Company has achieved impressive growth through competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, vendors and other business associates for their continued support in the Company's growth. Your Directors also wish to thank the government authorities, banks and shareholders for their cooperation and assistance extended to the Company.

For and on behalf of the Board of Directors

SHIV NADAR
Chairman & Chief Strategy Officer

Place: New Delhi, India
Date: May 7, 2020

Annexure 1 to the Directors' Report**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

The Members
HCL Technologies Limited
 806, Siddharth,
 96, Nehru Place,
 New Delhi 110019

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by HCL Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable**
- (vi) The other laws, as informed and certified by the Management of the company which are specifically applicable to the Company based on the Sectors/ Industry are:
 - (a) The Special Economic Zone Act, 2005;
 - (b) Policy relating to Software Technology Parks of India and its regulations;
 - (c) The Indian Copyright Act, 1957;
 - (d) The Patents Act, 1970;
 - (e) The Trade Marks Act, 1999;
 - (f) The Indian Telegraph Act, 1885;
 - (g) The Indian Wireless Telegraphy Act, 1933;

We have also examined compliance with the applicable clauses/ Regulations of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings

of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- a. The Board of Directors of the Company has approved the scheme of amalgamation ("Scheme") for the amalgamation of its wholly-owned subsidiaries viz. HCL Comnet Limited, HCL Eagle Limited, HCL Technologies Solutions Limited and Concept2silicon Systems Private Limited ("Transferor Companies"), with and into HCL Technologies Limited ("Transferee Company"), subject to necessary statutory and regulatory approvals under applicable laws, including the approval of the jurisdictional National Company Law Tribunal(s) ("NCLT") in India pursuant to Sections 230 to 232 of the Companies Act, 2013. The certified copy of order of NCLT Delhi bench (having jurisdiction over HCL Technologies Limited, HCL Eagle Limited and HCL Comnet Limited) approving the Scheme has been filed with Registrar of Companies. The NCLT Bengaluru bench (having jurisdiction over HCL Technologies Solutions Limited and Concept2Silicon Systems Private Limited) is yet to pass the necessary orders for the above said Scheme.

- b. The Company allotted 1,35,68,32,548 equity shares as fully paid-up bonus shares in the ratio of 1:1 (one equity bonus share for every one existing equity share held on the record date) to its shareholders on December 10, 2019, pursuant to a resolution passed by the shareholders on November 29, 2019 by postal ballot.

Consequently, the issued, subscribed and paid-up share capital of the Company as on March 31, 2020, was ₹5,42,73,30,192/- divided into 2,71,36,65,096 equity shares of face value of ₹2/- each.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644B000173827

Date: 23.04.2020
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure-A to the Secretarial Audit Report

The Members
HCL Technologies Limited
806, Siddharth
96, Nehru Place
New Delhi-110019

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644B000173827

Date: 23.04.2020
Place: New Delhi

Notes:

- (i) *Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.*
- (ii) *This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been compiled by the Company up to the date of this Report pertaining to Financial Year 2019-2020. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.*

Annexure 2 to the Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74140DL1991PLC046369
2.	Registration Date	12 November 1991
3.	Name of the Company	HCL Technologies Limited
4.	Category / Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	806, Siddharth, 96, Nehru Place, New Delhi - 110019 Tel.: +91-11-26436336
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai, Maharashtra – 400 083, India Tel.: 022 - 49186270 Fax: 022 - 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Computer Programming, Consultancy and Related Activities	620	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	HCL Comnet Systems and Services Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019	U74899DL1993PLC056665	Subsidiary	100	2(87)
2	HCL Comnet Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019	U74899DL2001PLC111951	Subsidiary	100	2(87)
3	HCL Software Products Limited (formerly known as HCL Global Processing Services Limited) 806, Siddharth, 96, Nehru Place, New Delhi-110019	U72300DL1995PLC069891	Subsidiary	100	2(87)
4	HCL Eagle Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019	U72200DL2011PLC225052	Subsidiary	100	2(87)
5	HCL Foundation 806, Siddharth, 96, Nehru Place, New Delhi-110019	U85100DL2014NPL274786	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6	HCL Bermuda Limited Victoria Place, 5th Floor 31 Victoria Street, Hamilton HM 12 Bermuda	Not Applicable	Subsidiary	100	2(87)
7	HCL Great Britain Limited Axon Centre, Church Road, Egham, Surrey TW20 9QB, UK	Not Applicable	Subsidiary	100	2(87)
8	HCL (Netherlands) BV Prinses Beatrixlaan 532, unit C06.01, 2595 BM 's-Gravenhage, The Netherlands	Not Applicable	Subsidiary	100	2(87)
9	HCL GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	Not Applicable	Subsidiary	100	2(87)
10	HCL Belgium NV Lozenburg 22 Bus 3, B-1932, Zaventem, Belgium	Not Applicable	Subsidiary	100	2(87)
11	HCL Sweden AB Sveavagen 21-23, 5 tr, 111 34 Stockholm, Sweden	Not Applicable	Subsidiary	100	2(87)
12	HCL Australia Services Pty. Limited C/o - Mitchell & Partners Suite 3, Level 2, 66 Clarence Street, Sydney NSW 2000, Australia	Not Applicable	Subsidiary	100	2(87)
13	HCL (New Zealand) Limited C/o - Illumin Limited, 1 st Floor, 79 Taranaki Street, Wellington 6011, New Zealand	Not Applicable	Subsidiary	100	2(87)
14	HCL Hong Kong SAR Limited 20 th Floor, Tai Yip Building, 141 Thomson Road, Wanchai, Hong Kong	Not Applicable	Subsidiary	100	2(87)
15	HCL Japan Limited 19F, NBF Hibiya Building, 1-1-7, Uchisaiwal-cho Chiyoda-Ku, Tokyo, Postal Code-100-0011, Japan	Not Applicable	Subsidiary	100	2(87)
16	HCL America Inc. 330, Potrero Ave, Sunnyvale, California 94085, USA	Not Applicable	Subsidiary	100	2(87)
17	HCL Technologies Austria GmbH Karlsplatz 3/19, 1010 Wien, Austria	Not Applicable	Subsidiary	100	2(87)
18	HCL Singapore Pte. Limited 8, Shenton Way, 33-03, AXA Tower, Singapore 068811	Not Applicable	Subsidiary	100	2(87)
19	HCL Technologies Solutions Limited 501-503, Fourth Floor, Oxford House, No. 15, Rustam Bagh, Main Road, off. Airport Road (old), Behind Manipal Hospital, Bangalore – 560 017, India	U72900KA1999PLC026077	Subsidiary	100	2(87)
20	HCL Poland sp. z o.o Zabierzów 32-080, Krakowska 280 Street, Poland	Not Applicable	Subsidiary	100	2(87)
21	HCL Technologies (Shanghai) Limited Suites 301, Floor 3, Building No. 2, Lane 399, Shengxia Road, Zhangjiang Hi Tech Park, Free Trade Zone, Shanghai	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
22	HCL EAS Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
23	Axon Group Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
24	HCL Canada Inc. <i>(formerly known as HCL Axon Technologies Inc.)</i> 83 Yonge Street, Suite 200, Toronto, Ontario, M5C 1S8, Canada	Not Applicable	Subsidiary	100	2(87)
25	HCL Technologies Solutions Gmbh Kirchgasse 24, 8001 Zurich Switzerland	Not Applicable	Subsidiary	100	2(87)
26	Axon Solutions Pty. Limited C/o Mitchell & Partners, Suite 3, Level 2, 66 Clarence Street, Sydney, NSW 2000, Australia	Not Applicable	Subsidiary	100	2(87)
27	Axon Solutions Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
28	HCL Technologies Malaysia Sdn. Bhd. <i>(Formerly HCL Axon Malaysia Sdn. Bhd.)</i> L5E-1B Enterprise 4, Technology Park Malaysia, Lebuhraya Puchong Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur, Malaysia	Not Applicable	Subsidiary	100	2(87)
29	Axon Solutions Singapore Pte. Limited 519, Balestier Road, #03 - 01 Le Shantier Singapore 329852	Not Applicable	Subsidiary	100	2(87)
30	HCL Axon Solutions (Shanghai) Co. Limited Suites 401, Floor 4, Building No.2, Lane 399, Shengxia Road, Zhangjiang Hi Tech Park, Free Trade Zone, Shanghai	Not Applicable	Subsidiary	100	2(87)
31	HCL Insurance BPO Services Limited HCL House, 28-36 Eastern Road, Romford, Essex, RM1 3PJ	Not Applicable	Subsidiary	100	2(87)
32	HCL Argentina s.a. 25 de Mayo 489, 3rd Floor, Buenos Aires, Argentina	Not Applicable	Subsidiary	100	2(87)
33	HCL Mexico S. de R.L. Avenida Empresarios 135 Piso 2 COL. Puerta De Hierro Guadalajara Jalisco CP.45116, Mexico	Not Applicable	Subsidiary	100	2(87)
34	HCL Technologies Romania s.r.l. Office 2, Room 5, Semi-basement, 15-17 Helesteului street, 1 st District, Bucharest, Romania	Not Applicable	Subsidiary	100	2(87)
35	HCL Hungary kft H-1143 Budapest, Stefánia u. 101-103. Hungary	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
36	HCL Latin America Holding LLC 1209, Orange Street, Wilmington, Delaware 19808, USA	Not Applicable	Subsidiary	100	2(87)
37	HCL (Brazil) Tecnologia da informacao EIRELI Rua das Olimpíadas, Nº 205, Conjunto 12 - Edifício Continental Square, Bairro Vila Olimpia São Paulo, São Paulo - Brasil CEP 04551-000	Not Applicable	Subsidiary	100	2(87)
38	HCL Technologies Denmark Aps Tuborg Boulevard 12, 3, 2900 Hellerup, Denmark	Not Applicable	Subsidiary	100	2(87)
39	HCL Technologies Norway AS Dronning Eufemias Gate 6, 0191 Oslo, Norway	Not Applicable	Subsidiary	100	2(87)
40	PT HCL Technologies Indonesia GD One Pacific Place, LT 15 SCBD JL, Jend Sudirman KAV 52-53, Senayan, Kebayoran Baru, Jakarta, Selatan, DKI Jakarta 12190, Indonesia	Not Applicable	Subsidiary	100	2(87)
41	HCL Arabia LLC AL Olaya Street, Al Aqariya Plaza, Office NO.203, Riyadh-12244, Kingdom of Saudi Arabia	Not Applicable	Subsidiary	100	2(87)
42	HCL Technologies Philippines, Inc. Net Cube Center, 3rd Avenue Corner, 30 th Street, E-Square Zone, Bonifacio Global City, Taguig City, Metro, Manila 1634 Philippines	Not Applicable	Subsidiary	100	2(87)
43	HCL Technologies France 22 rue de Caumartin 75009 Paris, France	Not Applicable	Subsidiary	100	2(87)
44	Filial Espanola De HCL Technoloiges S.L. Paseo de la Castellana, 35, 2 Planta 28046, Madrid, Spain	Not Applicable	Subsidiary	100	2(87)
45	HCL Investments (UK) Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
46	HCL America Solutions Inc. 330, Potrero Ave, Sunnyvale, California 94085, USA	Not Applicable	Subsidiary	100	2(87)
47	HCL Technologies Chile SPA EL Golf 40 Piso, Las Condes, Santiago, CP 755-0107, Chile	Not Applicable	Subsidiary	100	2(87)
48	HCL Technologies UK Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
49	HCL Technologies B.V. Prinses Beatrixlaan 532, unit C06.01, 2595 BM 's-Gravenhage, The Netherlands	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
50	HCL Technologies Germany GmbH Frankfurter Strasse 63-69, 65760 ESCHBORN, Germany	Not Applicable	Subsidiary	100	2(87)
51	HCL (Ireland) Information Systems Limited Telephone House, 43-46, Marlbrough Street, Dublin 1	Not Applicable	Subsidiary	100	2(87)
52	HCL Technologies Finland Oy Keilaranta 6 02150 Espoo, Finland	Not Applicable	Subsidiary	100	2(87)
53	HCL Technologies Belgium BVBA Lozenburg 22 Bus 3, B-1932, Zaventem, Belgium	Not Applicable	Subsidiary	100	2(87)
54	HCL Technologies Sweden AB Sveavagen 21-23, 5 tr, 111 34 Stockholm, Sweden	Not Applicable	Subsidiary	100	2(87)
55	HCL Technologies Italy S.P.A. Vimodrone (MI) via Luigi Cadorna n. 73, CAP 20090, Italy	Not Applicable	Subsidiary	100	2(87)
56	HCL Technologies Columbia S.A.S. CR 7 NO. 71 - 52 TO A OF 706, Bogotá, Columbia	Not Applicable	Subsidiary	100	2(87)
57	HCL Technologies Middle East FZ-LLC, 215, Floor 2, Building 15, Dubai Internet City, Dubai, UAE	Not Applicable	Subsidiary	100	2(87)
58	HCL Technologies Greece Single Member P.C.62 Kifissias Avenue, 15125 Maroussi, Athens, Greece	Not Applicable	Subsidiary	100	2(87)
59	HCL Istanbul Bilisim Teknolojileri Limited Sirketi Maslak Meydan District No. - 3, Veko Giz Plaza, 13 th Floor, Apartment No. - 43, Room No. - 1302 Sariyer/Istanbul	Not Applicable	Subsidiary	100	2(87)
60	HCL Technologies Egypt Limited Unit No. 01 – 2237, North Tower, Nile City Towers, 22 nd Floor, Ramelt Beaulac, Corniche El Nile, Cairo, Egypt	Not Applicable	Subsidiary	100	2(87)
61	HCL Technologies S.A. Eddificio Atrium, Piso 3, Av. Venezuela, El Rosal, Caracas, Venezuela	Not Applicable	Subsidiary	100	2(87)
62	HCL Technologies Luxembourg S.a.r.l. 42-44, Avenue de la Gare, L-1610 Grand Duchy of Luxembourg	Not Applicable	Subsidiary	100	2(87)
63	HCL Technologies Beijing Co. Limited Room 721, 7th Floor, Unit 1, 308 Wangjing Lize East Garden, Chaoyang District, Beijing	Not Applicable	Subsidiary	100	2(87)
64	HCL Technologies (Thailand) Limited 89, AIA Capital Center, 20/F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400, Thailand	Not Applicable	Subsidiary	100	2(87)
65	HCL Technologies Estonia OU Väike-Karja 3/Sauna 2, Tallinn, Harju County-10140, Estonia	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
66	HCL Technologies Czech Republic s.r.o. Praha 2 – Nové Město, Kateřinská 466/40, PSČ 120 00	Not Applicable	Subsidiary	100	2(87)
67	PowerTeam, LLC 718, Washington Avenue, N. Suite, Minneapolis, Minnesota, 55401, USA	Not Applicable	Subsidiary	100	2(87)
68	Concept2Silicon Systems Private Limited 501-503, 4th Floor, Oxford House No. 15, Rustam Bagh, Behind Manipal Hospital, Main Road, Bangalore KA 560017	U72200KA2009PTC050240	Subsidiary	100	2(87)
69	HCL Training & Staffing Services Private Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U74140DL2015PTC281555	Subsidiary	100	2(87)
70	HCL Muscat Technologies LLC PO Box 29 PC 135, KOM, Sultanate of Oman	Not Applicable	Subsidiary	100	2(87)
71	Point to Point Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
72	Point to Point Products Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
73	HCL Technologies Lithuania UAB Vilnius City Municipality, Vilnius City, Jogailos 9	Not Applicable	Subsidiary	100	2(87)
74	HCL Technologies (Taiwan) Limited (110) 18F., No. 460, Sec. 4, Xinyi, Road, Xinyi, Dist., Taipei	Not Applicable	Subsidiary	100	2(87)
75	Geometric Americas, Inc. 50 Kirts Blvd., Suite A, Troy, MI 48084 USA	Not Applicable	Subsidiary	100	2(87)
76	Butler America Aerospace LLC 2711, Centerville Road, Suite 400, Wilmington, DE 19808, USA Registered Office: 330, Potrero Ave, Sunnyvale, California 94085, USA	Not Applicable	Subsidiary	100	2(87)
77	HCL Asia Pacific Pte. Limited 8 Shenton Way, #21-07 AXA Tower, Singapore 06881	Not Applicable	Subsidiary	100	2(87)
78	Geometric Europe GmbH Frankfurter Ring 17, 80807 Munich, Germany	Not Applicable	Subsidiary	100	2(87)
79	Geometric China, Inc. Room 302, No 2 Building, Lane 399, Sheng Xia Road, Zhangjiang High-Tech Park, Pu Dong District, Shanghai	Not Applicable	Subsidiary	100	2(87)
80	Geometric SRL Parcul Mic 19-21, bl.2 sc.A Mezzanine, Brasov, 500386, Romania	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
81	Geometric SAS 17, Avenue Didier Daurat, Bâtiment Socrate, First Floor, 31702 Blagnac Cedex, Toulouse, France	Not Applicable	Subsidiary	100	2(87)
82	HCL Technologies Corporate Services Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	100	2(87)
83	Urban Fulfilment Services, LLC 51 Little Falls Drive, Wilmington, Delaware, 19808 Principal Office: 8744 Lucent Blvd., Second Floor, Highlands Ranch, CO, 80129	Not Applicable	Subsidiary	100	2(87)
84	Datawave (An HCL Technologies Company) Limited <i>(formerly known as ETL Factory Limited)</i> Caledonian Exchange, 19a Canning Street, Edinburgh, Scotland, EH3 8HE	Not Applicable	Subsidiary	100	2(87)
85	Telerx Marketing Inc. 723 Dresher Road, Horsham, PA 19044-0 Montgomery, USA	Not Applicable	Subsidiary	100	2(87)
86	C3i Europe Eood 1766, Business Park Sofia, Building 7, entr. B, 1st floor, Republic of Bulgaria	Not Applicable	Subsidiary	100	2(87)
87	C3i Services & Technologies (Dalian) Co., Limited Unit #01-08, No.7 Hui Xian Yuan, Dalian Hi-Tech Industrial Zone, Dalian 116025	Not Applicable	Subsidiary	100	2(87)
88	C3i Japan GK 19F, NBF Hibiya Building, 1-1-7, Uchisiwal-cho Chiyoda-Ku, Tokyo, Postal Code-100-0011, Japan	Not Applicable	Subsidiary	100	2(87)
89	C3i UK Limited Axon Centre, Church Road, Egham, Surrey, England, TW20 9QB	Not Applicable	Subsidiary	100	2(87)
90	C3i Support Services Private Limited 2 nd Floor, Orion Block, Vanenburg IT Park, Madhapur Hyderabad - 500 081	U72200TG2003PTC041797	Subsidiary	100	2(87)
91	HCL Technologies Vietnam Company Limited Regus Saigon Tower Tang 16, Saigon tower, 29 Lê Duẩn, Quận 1, Hồ Chí Minh, Vietnam	Not Applicable	Subsidiary	100	2(87)
92	Hönigsberg & Düvel Datentechnik GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
93	H&D IT Solutions GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
94	H&D Business Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
95	H&D Training und Consulting GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
96	H&D IT Professional Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
97	H&D IT Automotive Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
98	qmo-it GmbH August-Horch-Str. 1 38518 Gifhorn	Not Applicable	Subsidiary	100	2(87)
99	H&D Services for Engineering GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
100	H&D International GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
101	Hönigsberg & Düvel Corporation 8 East 7th Street 37402 Chattanooga, Tennessee, USA	Not Applicable	Subsidiary	100	2(87)
102	Hönigsberg & Düvel Datentechnik Czech s.r.o. Československé náměstí 1321 29301 Mladá Boleslav, Czech Republic	Not Applicable	Subsidiary	100	2(87)
103	CATIS GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
104	H&D ITAS Application Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
105	H&D ITAS Client Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
106	H&D ITAS Süd GmbH Friedrich-Ebert-Str.78 85055 Ingolstadt, Germany	Not Applicable	Subsidiary	100	2(87)
107	H&D ITAS Infrastructure Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
108	CA Management Services GmbH John-F.-Kennedy Allee 62 38444 Wolfsburg, Germany	Not Applicable	Subsidiary	100	2(87)
109	HCL Guatemala, Sociedad Anónima Diagonal 6 10-50 Zona 10, Edificio Interamericas World Financial Center, Torre Norte, 8 nivel, Oficina 803, Ciudad de Guatemala, Guatemala	Not Applicable	Subsidiary	100	2(87)
110	HCL Technologies Bulgaria EOOD Business Park Sofia, Building 7, Entrance B, Floor 1, Sofia 1766, Bulgaria	Not Applicable	Subsidiary	100	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
111	HCL Technologies Azerbaijan LLC House No 30, Pushkin Street 12/14, AZ1010, Baku City Nasimi District, Azerbaijan	Not Applicable	Subsidiary	100	2(87)
112	HCL Technologies Trinidad and Tobago Limited Nos. 5-7 Sweet Briar Road St. Clair, Trinidad	Not Applicable	Subsidiary	100	2(87)
113	H C L Technologies Lanka (Private) Limited 47 Alexandra Place, Colombo 7, Post Code: 00700, Sri Lanka	Not Applicable	Subsidiary	100	2(87)
114	HCL Technologies (Vietnam) Company Limited 5 th Floor, VIT Tower, No. 519 Kim Ma Street, Ngoc Khanh Ward, Ba Dinh District, Ha Noi City, Vietnam	Not Applicable	Subsidiary	100	2(87)
115	Sankalp Semiconductor Private Limited Plot No. 9, Survey No 89, Aryabhatta Tech Park, Navanagar Hubli – 580 025, India	U72100KA2005PTC037574	Subsidiary	100*	2(87)
116	Sankguj Semiconductor Private Limited 28, Ashwaraj Banglows, Near Auda Garden, Prahlad Nagar Vejalpur, Ahmedabad – 380 015, India	U72900GJ2017PTC100075	Subsidiary	100	2(87)
117	Sankalp Semiconductor GmbH Theodor-Heuss-Allee 112, 60486, Frankfurt am Main, Germany	Not Applicable	Subsidiary	100	2(87)
118	Sankalp USA Inc. 2225 E. Bay sshore, Road Ste 200, Palo Alto CA, 94303, USA	Not Applicable	Subsidiary	100	2(87)
119	Sankalp Semiconductor Inc. 67 Shaughnessy Crescent, Ottawa, Ontario, Canada, K2K 2N1	Not Applicable	Subsidiary	100	2(87)
120	Sankalp Semiconductor Sdn Bhd. 12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia	Not Applicable	Subsidiary	100	2(87)
121	HCL Technologies SEP Holdings Inc. 251 Little Falls Drive, Wilmington, New Castle DE 19808, USA	Not Applicable	Subsidiary	80	2(87)
122	Action Corporation. 2300 Geng Road, Ste. 150, Palo Alto, California 94303 Registered Office: The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, New Castle County	Not Applicable	Subsidiary	80	2(87)
123	Pervasive Software, Inc. 710 Hesters Crossing Road, Suite 250, Round Rock, TX 78681 Registered Office: The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, New Castle County	Not Applicable	Subsidiary	80	2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
124	Actian Netherlands B.V. Atrium Building, 8th floor, Strawinskyiaan 3127, 1077 ZX, Amsterdam, The Netherlands	Not Applicable	Subsidiary	80	2(87)
125	Actian International, Inc. 2300 Geng Road, Ste. 150, Palo Alto, California 94303 Registered Office: The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, New Castle County	Not Applicable	Subsidiary	80	2(87)
126	Actian Technology Private Limited 1st Floor, Fazal Manor No. 89, Richmond Road Bangalore, Karnataka – 560 025 India	U72400KA2005PTC037200	Subsidiary	80	2(87)
127	Actian Australia Pty. Limited Suite 108, 460 Pacific Hwy St Leonards, NSW Australia 2065	Not Applicable	Subsidiary	80	2(87)
128	Actian Europe Limited Axon Centre, Church Rd, Egham TW20 9QB, United Kingdom Registered Office: Cannon Place, 78 Cannon Street, London, EC4N 6AF	Not Applicable	Subsidiary	80	2(87)
129	Actian Germany GmbH Halenreie 42, 22359 Hamburg Germany	Not Applicable	Subsidiary	80	2(87)
130	Actian France 27 avenue de l'Opéra – 75001 Paris, France	Not Applicable	Subsidiary	80	2(87)
131	Versant Software LLC 2300 Geng Road, Ste. 150, Palo Alto, California 94303, USA	Not Applicable	Subsidiary	80	2(87)
132	Versant GmbH Halenreie 42, 22359 Hamburg, Germany	Not Applicable	Subsidiary	80	2(87)
133	Versant India Private Limited 5 Ankur Society, Bhandarkar Road, Pune 411004, Maharashtra, India	U13102PN1998PTC013101	Subsidiary	80	2(87)
134	Anzospan Investments Proprietary Limited GMI House, Harlequins Office Park, 164, Toitus Street, Groenkloof, Pretoria 0027, South Africa	Not Applicable	Subsidiary	70	2(87)
135	CeleritiFintech Limited Axon Centre, Chruch Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Subsidiary	51	2 (87)
136	CeleritiFinTech Australia Pty. Limited C/o Mitchell & Partners Suite 3, Level 2, 66 Clarence Street, Sydney, NSW, 2000, Australia	Not Applicable	Subsidiary	51	2 (87)
137	CeleritiFinTech USA Inc. 1209 Orange Street, Wilmington, Delaware 19801, New Castle County USA	Not Applicable	Subsidiary	51	2 (87)
138	StateStreet HCL Services (India) Private Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72900DL2012FTC229698	Associate	49	2(6)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
139	State Street HCL Holdings (UK) Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Associate	49	2(6)
140	State Street HCL Services (Philippines) Inc. Science Hub, Tower 3, Campus Avenue Corner Milano St, Mckinley Hill Cyberpark, Fort Bonifacio Taguig City, Philippines	Not Applicable	Associate	49	2(6)
141	CeleritiFintech Services Limited New Kings Court, Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG	Not Applicable	Associate	49	2 (6)
142	CeleritiFinTech Services USA Inc. 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle, USA	Not Applicable	Associate	49	2 (6)
143	CeleritiFinTech Services Australia Pty. Limited C/o Mitchell & Partners, Suite 3, Level 2, 66 Clarence Street, Sydney, NSW 2000, Australia	Not Applicable	Associate	49	2 (6)
144	CeleritiFintech Services Italy S.R.L. Viale Famagosta 75 Milano (MI) CAP 20142, Italy	Not Applicable	Associate	49	2 (6)
145	CeleritiFintech Services Germany, GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	Not Applicable	Associate	49	2(6)
146	CeleritiFintech Services India Private Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72200DL2016FTC289201	Associate	49	2(6)
147	HCL Technologies (Proprietary) Limited (Formerly HCL Axon (Proprietary) Limited) GMI House, Harlequins Office Park, 164, Totius Street, Groenkloof, Pretoria, 0027, South Africa	Not Applicable	Associate	48.16	2(6)
148	HCL Technologies South Africa (Proprietary) Limited GMI House, Harlequins Office Park, 164, Toitus Street, Groenkloof, Pretoria 0027, South Africa	Not Applicable	Associate	36.40	2(6)

*The Company directly owns 97.96% equity shares of Sankalp Semiconductor Private Limited and remaining 2.04% equity shares are held through Sankalp Stock Trust wholly controlled by Sankalp Semiconductor Private Limited. The subsidiaries mentioned at sr. no. 116 to 120 are the direct / step-down wholly-owned subsidiaries of Sankalp Semiconductor Private Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category & Name of the Shareholders (I)	No. of shares held at the beginning of the year [As on 01-April-2019]				No. of shares held at the end of the year [As on 31-March-2020]				% change during the year
	Demat	Physical	Total	Shareholding %	Demat	Physical	Total	Shareholding %	
A. Promoters									
(1) Indian									
(a) Individuals / Hindu Undivided Family	788	-	788	0.00%	4,96,034	-	4,96,034	0.02%	0.02%
(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d) Any Other (specify)	-	-	-	-	-	-	-	-	-
(i) Body Corporates	59,04,85,858	-	59,04,85,858	43.54%	1,19,00,32,208	-	1,19,00,32,208	43.85%	0.31%
(ii) Trust	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	59,04,86,646	-	59,04,86,646	43.54%	1,19,05,28,242	-	1,19,05,28,242	43.87%	0.33%
(2) Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Government	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e) Any Other (specify)	-	-	-	-	-	-	-	-	-
(i) Bodies Corporate	22,33,31,016	-	22,33,31,016	16.46%	44,66,62,032	-	44,66,62,032	16.46%	0.00%
Sub-Total (A)(2)	22,33,31,016	-	22,33,31,016	16.46%	44,66,62,032	-	44,66,62,032	16.46%	0.00%
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	81,38,17,662	-	81,38,17,662	60.00%	1,63,71,90,274	-	1,63,71,90,274	60.33%	0.33%
B. Public Shareholding									
(1) Institutions -									
(a) Mutual Funds	6,09,83,468	950	6,09,84,418	4.50%	14,78,02,472	1,900	14,78,04,372	5.45%	0.95%
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Funds	1,67,480	-	1,67,480	0.01%	15,23,634	-	15,23,634	0.06%	0.05%
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e) Foreign Portfolio Investors	38,98,11,787	400	38,98,12,187	28.74%	71,68,33,392	800	71,68,34,192	26.42%	(2.32%)
(f) Financial Institutions / Banks	2,04,121	620	2,04,741	0.02%	4,22,09,774	1,240	4,22,11,014	1.56%	1.54%
(g) Insurance Companies	4,26,29,526	-	4,26,29,526	3.14%	5,58,69,366	-	5,58,69,366	2.06%	(1.08%)
(h) Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
(i) Any Other (specify)	-	-	-	-	-	-	-	-	-
Foreign Banks	14,800	22	14,822	0.00%	29,600	44	29,644	0.00%	0.00%
Sub-Total (B)(1)	49,38,11,182	1,992	49,38,13,174	36.41%	96,42,68,238	3,984	96,42,72,222	35.53%	(0.88%)
(2) Central Government / State Government(s) / President of India	84,918	-	84,918	0.01%	9,64,594	-	9,64,594	0.04%	0.03%
Sub-Total (B)(2)	84,918	-	84,918	0.01%	9,64,594	-	9,64,594	0.04%	0.03%
(3) Non-institutions									
(a) Individuals -									
i. Individual shareholders holding nominal share capital up to ₹2 lakhs	2,84,79,224	4,95,521	2,89,74,745	2.14%	5,76,62,254	9,39,354	5,86,01,608	2.16%	0.02%
ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs.	14,16,486	-	14,16,486	0.10%	79,99,307	528	79,99,835	0.29%	0.19%
(b) NBFCs registered with RBI	1,09,395	-	1,09,395	0.01%	3,88,480	-	3,88,480	0.01%	0.00%
(c) Employee Trusts	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e) Any Other (specify)	-	-	-	-	-	-	-	-	-
(i) IEPF	-	-	-	-	2,12,947	-	2,12,947	0.01%	0.01%
(ii) Bodies Corporate	36,64,400	5,962	36,70,362	0.27%	1,46,64,611	11,924	1,46,76,535	0.54%	0.27%
(iii) Trusts	51,43,261	-	51,43,261	0.38%	1,06,08,061	-	1,06,08,061	0.39%	0.01%
(iv) Trust Employees	-	-	-	-	2,078	-	2,078	0.00%	0.00%
(v) Foreign Nationals	74,148	-	74,148	0.01%	1,49,881	-	1,49,881	0.01%	0.00%
(vi) Non-Resident Indians	61,79,995	7,996	61,87,991	0.46%	1,26,55,486	16,154	1,26,71,640	0.47%	0.01%
(vii) Overseas Corporate Bodies	17,244	440	17,684	0.00%	34,488	880	35,368	0.00%	0.00%
(viii) Clearing Members	25,65,288	-	25,65,288	0.18%	49,89,193	-	49,89,193	0.18%	0.00%
(ix) Hindu Undivided Families	4,03,754	-	4,03,754	0.03%	9,02,380	-	9,02,380	0.03%	0.00%
Sub-Total (B)(3)	4,80,53,195	5,09,919	4,85,63,114	3.58%	11,02,69,166	9,68,840	11,12,38,006	4.10%	0.52%
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	54,19,49,295	5,11,911	54,24,61,206	40.00%	1,07,55,01,998	9,72,824	1,07,64,74,822	39.67%	(0.33%)
Grand Total (A)+(B)	1,35,57,66,957	5,11,911	1,35,62,78,868	100.00%	2,71,26,92,272	9,72,824	2,71,36,65,096	100%	0%

Note: The Company, on December 10, 2019, allotted 1,35,68,32,548 equity shares as bonus shares of ₹2/- each fully paid-up in the proportion of 1 equity share for every 1 equity share of ₹2/- each held by the equity shareholders of the Company.

(ii) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01-April-2019)			Shareholding at the end of the year (31-March-2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Shiv Nadar	368	0.00%	-	736	0.00%	-	0.00%
2	Ms. Kiran Nadar	72	0.00%	-	4,94,602	0.02%	-	0.02%
3	Ms. Roshni Nadar Malhotra	348	0.00%	-	696	0.00%	-	0.00%
4	Vama Sundari Investments (Delhi) Private Limited	58,18,55,849	42.90%	-	1,17,27,72,190	43.22%	-	0.32%
5	HCL Corporation Private Limited	45,89,052	0.34%	-	91,78,104	0.34%	-	0.00%
6	HCL Holdings Private Limited *	22,33,31,016	16.46%	-	44,66,62,032	16.46%	-	0.00%
7	HCL Avitas Private Limited	40,40,957	0.30%	-	80,81,914	0.30%	-	0.00%
	Total	81,38,17,662	60.00%	-	1,63,71,90,274	60.33%	-	0.33%

* This is an Overseas Corporate Body.

Note: The Company, on December 10, 2019, has allotted equity shares as bonus shares of ₹2/- each fully paid-up in the proportion of 1 equity share for every 1 equity share of ₹2/- each held by the equity shareholders of the Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Dates	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Vama Sundari Investments (Delhi) Private Limited					
01-Apr-19	At the beginning of the year	58,18,55,849	42.90%	58,18,55,849	42.90%
10-Dec-19	Bonus Issue	58,18,55,849	42.88%	1,16,37,11,698	42.88%
20-Mar-20	Market Purchase	31,50,000	0.02%	1,16,68,61,698	43.00%
23-Mar-20	Market Purchase	30,00,000	0.11%	1,16,98,61,698	43.11%
24-Mar-20	Market Purchase	2,910,492	0.11%	1,17,27,72,190	43.22%
31-Mar-20	At the end of the year	1,17,27,72,190	43.22%	1,17,27,72,190	43.22%
HCL Corporation Private Limited					
01-Apr-19	At the beginning of the year	45,89,052	0.34%	45,89,052	0.34%
10-Dec-19	Bonus Issue	45,89,052	0.34%	91,78,104	0.34%
31-Mar-20	At the end of the year	91,78,104	0.34%	91,78,104	0.34%
HCL Holdings Private Limited					
01-Apr-19	At the beginning of the year	22,33,31,016	16.46%	22,33,31,016	16.46%
10-Dec-19	Bonus Issue	22,33,31,016	16.46%	44,66,62,032	16.46%
31-Mar-20	At the end of the year	44,66,62,032	16.46%	44,66,62,032	16.46%
Mr. Shiv Nadar					
01-Apr-19	At the beginning of the year	368	0.00%	368	0.00%
10-Dec-19	Bonus Issue	368	0.00%	736	0.00%
31-Mar-20	At the end of the year	736	0.00%	736	0.00%

Dates	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Ms. Kiran Nadar					
01-Apr-19	At the beginning of the year	72	0.00%	72	0.00%
10-Dec-19	Bonus Issue	72	0.00%	144	0.00%
11-Feb-20	Shares acquired pursuant to Will dated June 14, 2008 executed by late Mrs. Mohini Tandan, mother of Mrs. Kiran Nadar	4,59,958	0.02%	4,60,102	0.02%
24-Feb-20	Shares acquired pursuant to Will dated June 14, 2008 executed by late Mrs. Mohini Tandan, mother of Mrs. Kiran Nadar	34,500	0.00%	4,94,602	0.02%
31-Mar-20	At the end of the year	4,94,602	0.02%	4,94,602	0.02%
Ms. Roshni Nadar Malhotra					
01-Apr-19	At the beginning of the year	348	0.00%	348	0.00%
10-Dec-19	Bonus Issue	348	0.00%	696	0.00%
31-Mar-20	At the end of the year	696	0.00%	696	0.00%
HCL Avitas Private Limited					
01-Apr-19	At the beginning of the year	40,40,957	0.30%	40,40,957	0.30%
10-Dec-19	Bonus Issue	40,40,957	0.30%	80,81,914	0.30%
31-Mar-20	At the end of the year	80,81,914	0.30%	80,81,914	0.30%

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Refer Annexure 2A			
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
3.	At the end of the year (or on the date of separation, if separated during the year)				

Note: The Company has not issued any Global Depository Receipts (GDRs) / American Depository Receipts (ADRs).

(v) Shareholding of Directors and Key Managerial Personnel:

Dates	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mr. Shiv Nadar, Managing Director					
01-Apr-19	At the beginning of the year	368	0.00%	368	0.00%
10-Dec-19	Bonus Issue	368	0.00%	736	0.00%
31-Mar-20	At the end of the year	736	0.00%	736	0.00%
Ms. Roshni Nadar Malhotra					
01-Apr-19	At the beginning of the year	348	0.00%	348	0.00%
10-Dec-19	Bonus Issue	348	0.00%	696	0.00%
31-Mar-20	At the end of the year	696	0.00%	696	0.00%

Dates	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Mr. C. Vijayakumar, President & CEO					
01-Apr-19	At the beginning of the year	1,82,264	0.01%	1,82,264	0.01%
10-Dec-19	Bonus Issue	1,82,264	0.01%	3,64,528	0.01%
31-Mar-20	At the end of the year	3,64,528	0.01%	3,64,528	0.01%
Mr. Prateek Aggarwal, CFO					
01-Apr-19	At the beginning of the year	494	0.00%	494	0.00%
10-Dec-19	Bonus Issue	494	0.00%	988	0.00%
31-Mar-20	At the end of the year	988	0.00%	988	0.00%
Mr. S. Madhavan, Director					
01-Apr-19	At the beginning of the year	2,500	0.00%	2,500	0.00%
10-Dec-19	Bonus Issue	2,500	0.00%	5,000	0.00%
31-Mar-20	At the end of the year	5,000	0.00%	5,000	0.00%
Manish Anand, CS					
01-Apr-19	At the beginning of the year	18,446	0.00%	18,446	0.00%
10-Dec-19	Bonus Issue	18,446	0.00%	36,892	0.00%
31-Mar-20	At the end of the year	36,892	0.00%	36,892	0.00%

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	50	-	-	50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	50	-	-	50
Change in Indebtedness during the financial year				
* Addition	24	350	-	374
* Reduction	(24)	(221)	-	(245)
Net Change	-	129	-	129
Indebtedness at the end of the financial year				
i) Principal Amount	50	128	-	178
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1	-	1
Total (i+ii+iii)	50	129	-	179

Notes:

- The Company has availed term loans of ₹50 crore (Previous year ₹50 crore) secured by hypothecation of gross block of vehicles.
- An unsecured long term loan of ₹128 crore (Previous year NIL) has been borrowed from banks.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in crore)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shiv Nadar		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.07	1.07	1.07
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify			
	-Provident Fund	-	-	-
	-Medical	0.02	0.02	0.02
	-Gratuity	-	-	-
	-Misc. Reimbursement	0.01	0.01	0.01
Total (A)				1.10
Ceiling as per the Act (5% of net profits of the Company calculated under section 198 of the Companies Act, 2013)				553.94

Note: In addition, Mr. Shiv Nadar received salary and perquisites amounting to USD 0.51 million (equivalent to ₹3.63 crore) from HCL America Inc., a wholly-owned step-down subsidiary of the Company.

B. REMUNERATION TO OTHER DIRECTORS

(₹ in crore)

S. No.	Particulars of Remuneration	Sitting Fee for attending board / committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Mr. Deepak Kapoor	0.02	0.62	-	0.64
	Mr. James Philip Adamczyk ⁽¹⁾	0.00	0.45	-	0.45
	Mr. S. Madhavan	0.03	0.80	-	0.83
	Dr. Mohan Chellappa ⁽²⁾	0.00	0.70	-	0.70
	Ms. Nishi Vasudeva	0.03	0.62	-	0.65
	Ms. Robin Ann Abrams	0.02	1.27	-	1.29
	Dr. Sosale Shankara Sastry	0.01	1.02	-	1.03
	Mr. R. Srinivasan	0.01	1.20	-	1.21
	Mr. Simon John England ⁽³⁾	0.00	0.22	-	0.22
	Mr. Thomas Sieber	0.01	0.99	-	1.00
	Total (1)	0.13	7.89	-	8.02
2	Other Non-Executive Directors				
	Ms. Roshni Nadar Malhotra	0.01	0.75	-	0.76
	Mr. Shikhar Neelkamal Malhotra ⁽⁴⁾	0.00	0.22	-	0.22
	Total (2)	0.01	0.97	-	0.98
Total (B) = (1+2)		0.14	8.86	-	9.00
Overall Ceiling as per the Act (1% of net profits of the Company calculated under section 198 of the Companies Act, 2013)					110.79
Total Managerial Remuneration (A+B)					10.10

Notes:

(1) Mr. James Philip Adamczyk ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise.

(2) Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019.

(3) Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020.

(4) Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in crore)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. C Vijayakumar, Chief Executive Officer*	Mr. Prateek Aggarwal, Chief Financial Officer**	Mr. Manish Anand, Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.97	1.25	4.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.03	0.00	0.03
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others, please specify	-	-	-	-
	Total	-	3.00	1.25	4.25

Notes:

The remuneration paid to the Key Managerial Personnel includes Long Term Incentive which was disbursed by the Company during the financial year 2019-20.

*Mr. C Vijayakumar is not getting any remuneration from the Company, however, he has received USD 16.52 million (equivalent to ₹117.37 crore) as remuneration from HCL America Inc, a wholly-owned step-down subsidiary of the Company.

**Mr. Prateek Aggarwal, apart from receiving remuneration from the Company, also received USD 0.08 million (equivalent to ₹0.59 crore) as remuneration from HCL America Inc, a wholly-owned step-down subsidiary of the Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

SHIV NADAR
Chairman & Chief Strategy Officer

 Place: New Delhi, India
Date: May 7, 2020

Annexure 2A to the Directors' Report

Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Date	Sale/ Purchase	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
SBI-ETF NIFTY 50					
01 April 2019	Opening			1,52,56,291	1.12
05 April 2019	Purchase	76,589	0.01	1,53,32,880	1.13
12 April 2019	Purchase	44,653	0.00	1,53,77,533	1.13
19 April 2019	Purchase	14,141	0.00	1,53,91,674	1.13
26 April 2019	Purchase	10,132	0.00	1,54,01,806	1.14
03 May 2019	Purchase	5,94,382	0.04	1,59,96,188	1.18
10 May 2019	Sale	(4,01,550)	(0.03)	1,55,94,638	1.15
17 May 2019	Purchase	1,10,779	0.01	1,57,05,417	1.16
24 May 2019	Purchase	33,567	0.00	1,57,38,984	1.16
31 May 2019	Purchase	1,44,738	0.01	1,58,83,722	1.17
07 June 2019	Purchase	7,437	0.00	1,58,91,159	1.17
14 June 2019	Purchase	10,38,987	0.08	1,69,30,146	1.25
21 June 2019	Purchase	72,522	0.01	1,70,02,668	1.25
28 June 2019	Purchase	6,32,588	0.05	1,76,35,256	1.30
05 July 2019	Purchase	3,02,356	0.02	1,79,37,612	1.32
12 July 2019	Purchase	1,30,802	0.01	1,80,68,414	1.33
19 July 2019	Purchase	1,14,646	0.01	1,81,83,060	1.34
26 July 2019	Purchase	53,415	0.00	1,82,36,475	1.34
02 Aug 2019	Purchase	6,88,695	0.05	1,89,25,170	1.40
09 Aug 2019	Sale	(1,91,217)	(0.01)	1,87,33,953	1.38
16 Aug 2019	Sale	(15,841)	(0.00)	1,87,18,112	1.38
23 Aug 2019	Purchase	19,286	0.00	1,87,37,398	1.38
30 Aug 2019	Purchase	29,924	0.00	1,87,67,322	1.38
06 Sep 2019	Purchase	17,041	0.00	1,87,84,363	1.38
13 Sep 2019	Purchase	84,574	0.01	1,88,68,937	1.39
20 Sep 2019	Purchase	33,247	0.00	1,89,02,184	1.39
27 Sep 2019	Sale	(32,910)	(0.00)	1,88,69,274	1.39
30 Sep 2019	Purchase	4,294	0.00	1,88,73,568	1.39
18 Oct 2019	Purchase	1,09,793	0.01	1,89,83,361	1.40
25 Oct 2019	Sale	(51,873)	(0.00)	1,89,31,488	1.40
01 Nov 2019	Purchase	1,11,327	0.01	1,90,42,815	1.40
08 Nov 2019	Purchase	6,11,033	0.05	1,96,53,848	1.45
15 Nov 2019	Purchase	89,681	0.01	1,97,43,529	1.46
22 Nov 2019	Purchase	76,485	0.01	1,98,20,014	1.46
29 Nov 2019	Purchase	54,466	0.00	1,98,74,480	1.46
06 Dec 2019	Purchase	1,68,513	0.01	2,00,42,993	1.48
13 Dec 2019	Purchase	1,25,671	0.00	2,01,68,664	0.74
20 Dec 2019	Bonus Credit	200,82,195	0.74	4,02,50,859	1.48
27 Dec 2019	Sale	(68,042)	(0.00)	4,01,82,817	1.48
31 Dec 2019	Purchase	2,43,812	0.01	4,04,26,629	1.49

Date	Sale/ Purchase	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
03 Jan 2020	Purchase	8,47,473	0.03	4,12,74,102	1.52
10 Jan 2020	Purchase	6,60,268	0.02	4,19,34,370	1.55
17 Jan 2020	Purchase	50,985	0.00	4,19,85,355	1.55
24 Jan 2020	Purchase	73,942	0.00	4,20,59,297	1.55
31 Jan 2020	Purchase	89,604	0.00	4,21,48,901	1.55
07 Feb 2020	Purchase	6,27,940	0.02	4,27,76,841	1.58
14 Feb 2020	Purchase	65,715	0.00	4,28,42,556	1.58
21 Feb 2020	Purchase	41,532	0.00	4,28,84,088	1.58
28 Feb 2020	Purchase	3,22,252	0.01	4,32,06,340	1.59
06 Mar 2020	Purchase	4,59,364	0.02	4,36,65,704	1.61
13 Mar 2020	Purchase	2,79,215	0.01	4,39,44,919	1.62
20 Mar 2020	Purchase	74,899	0.00	4,40,19,818	1.62
27 Mar 2020	Purchase	12,21,709	0.05	4,52,41,527	1.67
31 Mar 2020	Purchase	4,54,727	0.02	4,56,96,254	1.68
31 Mar 2020	Closing			4,56,96,254	1.68
ARTISAN INTERNATIONAL VALUE FUND					
01-Apr-19	Opening			2,06,17,788	1.52
19 April 2019	Sale	(5,42,798)	(0.04)	2,00,74,990	1.48
29 Nov 2019	Sale	(1,34,685)	(0.01)	1,99,40,305	0.73
20 Dec 2019	Bonus Credit	1,99,40,305	0.73	3,98,80,610	1.47
06 Mar 2020	Purchase	18,09,684	0.07	4,16,90,294	1.54
27 Mar 2020	Sale	(13,05,847)	(0.05)	4,03,84,447	1.49
31-Mar-20	Closing			4,03,84,447	1.49
ICICI PRUDENTIAL LIFE INSURANCE					
01-Apr-19	Opening			1,51,23,725	1.12
05 April 2019	Sale	(9,49,031)	(0.07)	1,41,74,694	1.05
12 April 2019	Sale	(17,20,071)	(0.13)	1,24,54,623	0.92
19 April 2019	Sale	(12,22,741)	(0.09)	1,12,31,882	0.83
26 April 2019	Sale	(16,64,431)	(0.12)	95,67,451	0.71
03 May 2019	Sale	(10,15,943)	(0.07)	85,51,508	0.63
10 May 2019	Sale	(19,59,813)	(0.14)	65,91,695	0.49
17 May 2019	Sale	(5,90,641)	(0.04)	60,01,054	0.44
24 May 2019	Sale	(4,12,500)	(0.03)	55,88,554	0.41
31 May 2019	Sale	(8,37,751)	(0.06)	47,50,803	0.35
07 June 2019	Sale	(11,31,500)	(0.08)	36,19,303	0.27
14 June 2019	Sale	(4,89,584)	(0.04)	31,29,719	0.23
09 Aug 2019	Purchase	2,49,000	0.02	33,78,719	0.25
23 Aug 2019	Purchase	76,252	0.01	34,54,971	0.25
13 Sep 2019	Purchase	4,23,250	0.03	38,78,221	0.29
20 Sep 2019	Purchase	4,92,001	0.04	43,70,222	0.32
27 Sep 2019	Purchase	9,24,499	0.07	52,94,721	0.39
30 Sep 2019	Purchase	3,209	0.00	52,97,930	0.39

Date	Sale/ Purchase	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
18 Oct 2019	Purchase	15,33,685	0.11	68,31,615	0.50
25 Oct 2019	Purchase	4,24,286	0.03	72,55,901	0.53
08 Nov 2019	Purchase	7,39,631	0.05	79,95,532	0.59
15 Nov 2019	Purchase	8,90,301	0.07	88,85,833	0.65
22 Nov 2019	Purchase	6,17,216	0.05	95,03,049	0.70
29 Nov 2019	Purchase	8,33,949	0.06	1,03,36,998	0.76
06 Dec 2019	Purchase	5,06,924	0.04	1,08,43,922	0.80
13 Dec 2019	Purchase	80,000	0.00	1,09,23,922	0.40
20 Dec 2019	Bonus Credit	1,08,43,922	0.40	2,17,67,844	0.80
31 Dec 2019	Purchase	4,99,614	0.02	2,22,67,458	0.82
03 Jan 2020	Purchase	7,49,297	0.03	2,30,16,755	0.85
10 Jan 2020	Purchase	8,21,101	0.03	2,38,37,856	0.88
17 Jan 2020	Purchase	5,07,007	0.02	2,43,44,863	0.90
07 Feb 2020	Purchase	4,93,712	0.02	2,48,38,575	0.92
14 Feb 2020	Purchase	3,61,126	0.01	2,51,99,701	0.93
21 Feb 2020	Purchase	1,68,928	0.01	2,53,68,629	0.93
28 Feb 2020	Purchase	17,21,057	0.06	2,70,89,686	1.00
06 Mar 2020	Purchase	37,46,148	0.14	3,08,35,834	1.14
13 Mar 2020	Purchase	21,74,969	0.08	3,30,10,803	1.22
20 Mar 2020	Purchase	30,23,406	0.11	3,60,34,209	1.33
27 Mar 2020	Purchase	17,75,680	0.07	3,78,09,889	1.39
31 Mar 2020	Purchase	15,63,135	0.06	3,93,73,024	1.45
31-Mar-20	Closing			3,93,73,024	1.45
ICICI PRUDENTIAL VALUE DISCOVERY FUND					
01-Apr-19	Opening			1,38,28,853	1.02
05 April 2019	Sale	(1,378)	(0.00)	1,38,27,475	1.02
12 April 2019	Sale	(2,49,524)	(0.02)	1,35,77,951	1.00
19 April 2019	Sale	(4,679)	(0.00)	1,35,73,272	1.00
26 April 2019	Sale	(2,95,388)	(0.02)	1,32,77,884	0.98
03 May 2019	Sale	(3,85,211)	(0.03)	1,28,92,673	0.95
10 May 2019	Purchase	614	0.00	1,28,93,287	0.95
17 May 2019	Purchase	14,74,402	0.11	1,43,67,689	1.06
24 May 2019	Purchase	1,965	0.00	1,43,69,654	1.06
31 May 2019	Purchase	1,597	0.00	1,43,71,251	1.06
07 June 2019	Purchase	5,23,029	0.04	1,48,94,280	1.10
14 June 2019	Sale	(1,23,686)	(0.01)	1,47,70,594	1.09
21 June 2019	Purchase	3,18,002	0.02	1,50,88,596	1.11
28 June 2019	Purchase	4,46,195	0.03	1,55,34,791	1.15
05 July 2019	Purchase	2,36,495	0.02	1,57,71,286	1.16
12 July 2019	Purchase	4,61,616	0.03	1,62,32,902	1.20
19 July 2019	Purchase	1,16,184	0.01	1,63,49,086	1.21
26 July 2019	Sale	(88,743)	(0.01)	1,62,60,343	1.20
02 Aug 2019	Purchase	38,130	0.00	1,62,98,473	1.20

Date	Sale/ Purchase	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
09 Aug 2019	Sale	(3,72,195)	(0.03)	1,59,26,278	1.17
16 Aug 2019	Purchase	168	0.00	1,59,26,446	1.17
23 Aug 2019	Purchase	2,84,462	0.02	1,62,10,908	1.20
30 Aug 2019	Purchase	1,61,390	0.01	1,63,72,298	1.21
06 Sep 2019	Purchase	3,42,069	0.03	1,67,14,367	1.23
13 Sep 2019	Purchase	1,98,159	0.01	1,69,12,526	1.25
20 Sep 2019	Purchase	88,871	0.01	1,70,01,397	1.25
27 Sep 2019	Purchase	9,48,787	0.07	1,79,50,184	1.32
30 Sep 2019	Purchase	4,62,245	0.03	1,84,12,429	1.36
18 Oct 2019	Purchase	6,40,014	0.05	1,90,52,443	1.40
25 Oct 2019	Sale	(6,48,637)	(0.05)	1,84,03,806	1.36
01 Nov 2019	Sale	(1,43,311)	(0.01)	1,82,60,495	1.35
08 Nov 2019	Sale	(8,504)	(0.00)	1,82,51,991	1.35
15 Nov 2019	Sale	(7,49,646)	(0.06)	1,75,02,345	1.29
22 Nov 2019	Purchase	2,234	0.00	1,75,04,579	1.29
29 Nov 2019	Purchase	17,548	0.00	1,75,22,127	1.29
06 Dec 2019	Sale	(18,89,887)	(0.14)	1,56,32,240	1.15
13 Dec 2019	Purchase	11,320	0.00	1,56,43,560	0.58
20 Dec 2019	Bonus Credit	1,55,09,573	0.57	3,11,53,133	1.15
27 Dec 2019	Sale	(3,26,767)	(0.01)	3,08,26,366	1.14
31 Dec 2019	Purchase	1,10,222	0.00	3,09,36,588	1.14
03 Jan 2020	Purchase	4,607	0.00	3,09,41,195	1.14
10 Jan 2020	Sale	(8,86,254)	(0.03)	3,00,54,941	1.11
17 Jan 2020	Sale	(1,51,275)	(0.01)	2,99,03,666	1.10
24 Jan 2020	Sale	(7,97,088)	(0.03)	2,91,06,578	1.07
31 Jan 2020	Sale	(7,51,178)	(0.03)	2,83,55,400	1.04
07 Feb 2020	Purchase	2,77,465	0.01	2,86,32,865	1.06
14 Feb 2020	Sale	(51,351)	(0.00)	2,85,81,514	1.05
21 Feb 2020	Sale	(92,154)	(0.00)	2,84,89,360	1.05
28 Feb 2020	Purchase	2,64,658	0.01	2,87,54,018	1.06
06 Mar 2020	Purchase	15,44,491	0.06	3,02,98,509	1.12
13 Mar 2020	Sale	(5,73,912)	(0.02)	2,97,24,597	1.10
20 Mar 2020	Purchase	31,300	0.00	2,97,55,897	1.10
27 Mar 2020	Sale	(15,24,159)	(0.06)	2,82,31,738	1.04
31 Mar 2020	Sale	(8,28,417)	(0.03)	2,74,03,321	1.01
31-Mar-20	Closing			2,74,03,321	1.01
VIRTUS VONTOBEL EMERGING MARKETS OPPORTUNITIES FUND					
01-Apr-19	Opening			1,05,60,916	0.78
26 April 2019	Sale	(1,79,663)	(0.01)	1,03,81,253	0.77
05 July 2019	Sale	(1,12,522)	(0.01)	1,02,68,731	0.76
09 Aug 2019	Purchase	1,85,795	0.01	1,04,54,526	0.77
16 Aug 2019	Purchase	1,18,269	0.01	1,05,72,795	0.78
23 Aug 2019	Purchase	83,874	0.01	1,06,56,669	0.79

Date	Sale/ Purchase	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
30 Sep 2019	Purchase	3,01,118	0.02	1,09,57,787	0.81
18 Oct 2019	Purchase	5,80,731	0.04	1,15,38,518	0.85
01 Nov 2019	Purchase	4,12,900	0.03	1,19,51,418	0.88
08 Nov 2019	Purchase	3,91,994	0.03	1,23,43,412	0.91
15 Nov 2019	Purchase	8,35,586	0.06	1,31,78,998	0.97
20 Dec 2019	Bonus Credit	1,31,78,998	0.49	2,63,57,996	0.97
27 Dec 2019	Sale	(5,14,282)	(0.02)	2,58,43,714	0.95
28 Feb 2020	Sale	(2,93,285)	(0.01)	2,55,50,429	0.94
13 Mar 2020	Sale	(2,25,395)	(0.01)	2,53,25,034	0.93
20 Mar 2020	Sale	(12,80,931)	(0.05)	2,40,44,103	0.89
27 Mar 2020	Sale	(36,08,127)	(0.13)	2,04,35,976	0.75
31 Mar 2020	Sale	(73,883)	(0.00)	2,03,62,093	0.75
31-Mar-20	Closing			2,03,62,093	0.75
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND					
01-Apr-19	Opening			83,87,908	0.62
05 April 2019	Purchase	35,768	0.00	84,23,676	0.62
19 April 2019	Purchase	31,644	0.00	84,55,320	0.62
26 April 2019	Sale	(1,90,587)	(0.01)	82,64,733	0.61
10 May 2019	Purchase	35,478	0.00	83,00,211	0.61
17 May 2019	Purchase	32,161	0.00	83,32,372	0.61
24 May 2019	Purchase	1,03,804	0.01	84,36,176	0.62
14 June 2019	Purchase	48,258	0.00	84,84,434	0.63
19 July 2019	Purchase	42,924	0.00	85,27,358	0.63
09 Aug 2019	Purchase	1,11,076	0.01	86,38,434	0.64
23 Aug 2019	Purchase	33,141	0.00	86,71,575	0.64
06 Sep 2019	Purchase	37,345	0.00	87,08,920	0.64
13 Dec 2019	Purchase	56,726	0.00	87,65,646	0.32
20 Dec 2019	Bonus Credit	87,08,920	0.32	1,74,74,566	0.64
10 Jan 2020	Purchase	61,997	0.00	1,75,36,563	0.65
24 Jan 2020	Purchase	48,299	0.00	1,75,84,862	0.65
31 Jan 2020	Purchase	54,528	0.00	1,76,39,390	0.65
07 Feb 2020	Purchase	47,807	0.00	1,76,87,197	0.65
14 Feb 2020	Purchase	70,152	0.00	1,77,57,349	0.65
28 Feb 2020	Purchase	2,39,029	0.01	1,79,96,378	0.66
06 Mar 2020	Purchase	1,24,450	0.00	1,81,20,828	0.67
13 Mar 2020	Purchase	1,78,522	0.01	1,82,99,350	0.67
20 Mar 2020	Purchase	4,10,026	0.02	1,87,09,376	0.69
27 Mar 2020	Purchase	3,02,480	0.01	1,90,11,856	0.70
31-Mar-20	Closing			1,90,11,856	0.70
NOMURA INDIA INVESTMENT FUND MOTHER FUND					
01-Apr-19	Opening			86,51,184	0.64
12 April 2019	Purchase	4,02,955	0.03	90,54,139	0.67

Date	Sale/ Purchase	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
26 April 2019	Purchase	2,50,000	0.02	93,04,139	0.69
10 May 2019	Purchase	5,38,319	0.04	98,42,458	0.73
14 June 2019	Sale	(3,00,000)	(0.02)	95,42,458	0.70
28 June 2019	Sale	(2,50,000)	(0.02)	92,92,458	0.69
02 Aug 2019	Sale	(2,00,000)	(0.01)	90,92,458	0.67
09 Aug 2019	Sale	(3,00,000)	(0.02)	87,92,458	0.65
18 Oct 2019	Sale	(2,50,000)	(0.02)	85,42,458	0.63
25 Oct 2019	Sale	(2,00,000)	(0.01)	83,42,458	0.61
20 Dec 2019	Bonus Credit	83,42,458	0.31	1,66,84,916	0.61
31 Mar 2020	Purchase	20,00,000	0.07	1,86,84,916	0.69
31-Mar-20	Closing			1,86,84,916	0.69
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C					
ADITYA BIRLA SUN LIFE FRONTLINE EQUITY FUND					
01-Apr-19	Opening			1,09,06,012	0.80
05 April 2019	Sale	(2,89,926)	(0.02)	1,06,16,086	0.78
12 April 2019	Sale	(1,10,191)	(0.01)	1,05,05,895	0.77
03 May 2019	Purchase	53,000	0.00	1,05,58,895	0.78
10 May 2019	Sale	(4,926)	(0.00)	1,05,53,969	0.78
17 May 2019	Purchase	2,50,000	0.02	1,08,03,969	0.80
31 May 2019	Purchase	1,67,180	0.01	1,09,71,149	0.81
07 June 2019	Sale	(1,43,000)	(0.01)	1,08,28,149	0.80
14 June 2019	Sale	(2,11,900)	(0.02)	1,06,16,249	0.78
28 June 2019	Sale	(25,046)	(0.00)	1,05,91,203	0.78
05 July 2019	Sale	(14,926)	(0.00)	1,05,76,277	0.78
12 July 2019	Sale	(1,196)	(0.00)	1,05,75,081	0.78
19 July 2019	Purchase	52,009	0.00	1,06,27,090	0.78
26 July 2019	Purchase	2,49,700	0.02	1,08,76,790	0.80
09 Aug 2019	Purchase	56,700	0.00	1,09,33,490	0.81
23 Aug 2019	Sale	(6,300)	(0.00)	1,09,27,190	0.81
30 Aug 2019	Purchase	3,03,500	0.02	1,12,30,690	0.83
06 Sep 2019	Purchase	58,400	0.00	1,12,89,090	0.83
13 Sep 2019	Purchase	56,400	0.00	1,13,45,490	0.84
20 Sep 2019	Purchase	1,20,600	0.01	1,14,66,090	0.85
27 Sep 2019	Sale	(21,000)	(0.00)	1,14,45,090	0.84
18 Oct 2019	Purchase	3,49,543	0.03	1,17,94,633	0.87
25 Oct 2019	Purchase	2,26,036	0.02	1,20,20,669	0.89
01 Nov 2019	Sale	(55,000)	(0.00)	1,19,65,669	0.88
15 Nov 2019	Sale	(3,00,000)	(0.02)	1,16,65,669	0.86
22 Nov 2019	Sale	(42,000)	(0.00)	1,16,23,669	0.86
06 Dec 2019	Sale	(2,942)	(0.00)	1,16,20,727	0.86
20 Dec 2019	Bonus Credit	1,17,65,986	0.43	2,33,86,713	0.86
27 Dec 2019	Sale	(13,622)	(0.00)	2,33,73,091	0.86
03 Jan 2020	Sale	(16,578)	(0.00)	2,33,56,513	0.86
10 Jan 2020	Sale	(43,469)	(0.00)	2,33,13,044	0.86
17 Jan 2020	Purchase	70,000	0.00	2,33,83,044	0.86
24 Jan 2020	Sale	(7,49,694)	(0.03)	2,26,33,350	0.83

31 Jan 2020	Sale	(5,00,000)	(0.02)	2,21,33,350	0.82
14 Feb 2020	Sale	(2,68,591)	(0.01)	2,18,64,759	0.81
21 Feb 2020	Sale	(3,12,892)	(0.01)	2,15,51,867	0.79
28 Feb 2020	Sale	(19,58,031)	(0.07)	1,95,93,836	0.72
06 Mar 2020	Sale	(6,38,415)	(0.02)	1,89,55,421	0.70
13 Mar 2020	Sale	(8,04,922)	(0.03)	1,81,50,499	0.67
20 Mar 2020	Purchase	1,32,028	0.00	1,82,82,527	0.67
27 Mar 2020	Sale	(3,83,699)	(0.01)	1,78,98,828	0.66
31 Mar 2020	Purchase	953	0.00	1,78,99,781	0.66
31-Mar-20	Closing			1,78,99,781	0.66

ROBECO CAPITAL GROWTH FUNDS

01-Apr-19	Opening			82,33,119	0.61
26 April 2019	Sale	(45,236)	(0.00)	81,87,883	0.60
17 May 2019	Sale	(90,000)	(0.01)	80,97,883	0.60
31 May 2019	Purchase	45,697	0.00	81,43,580	0.60
07 June 2019	Purchase	5,496	0.00	81,49,076	0.60
14 June 2019	Sale	(5,775)	(0.00)	81,43,301	0.60
21 June 2019	Sale	(40,000)	(0.00)	81,03,301	0.60
16 Aug 2019	Sale	(50,000)	(0.00)	80,53,301	0.59
30 Aug 2019	Sale	(24,765)	(0.00)	80,28,536	0.59
06 Sep 2019	Sale	(63,474)	(0.00)	79,65,062	0.59
13 Sep 2019	Sale	(96,982)	(0.01)	78,68,080	0.58
20 Sep 2019	Sale	(34,165)	(0.00)	78,33,915	0.58
18 Oct 2019	Sale	(85,589)	(0.01)	77,48,326	0.57
08 Nov 2019	Purchase	37,002	0.00	77,85,328	0.57
15 Nov 2019	Purchase	816	0.00	77,86,144	0.57
06 Dec 2019	Sale	(16,687)	(0.00)	77,69,457	0.57
13 Dec 2019	Purchase	85,000	0.00	78,54,457	0.29
20 Dec 2019	Bonus Credit	77,56,289	0.29	1,56,10,746	0.58
27 Dec 2019	Purchase	31,560	0.00	1,56,42,306	0.58
10 Jan 2020	Sale	(8,521)	(0.00)	1,56,33,785	0.58
17 Jan 2020	Purchase	1,74,000	0.01	1,58,07,785	0.58
24 Jan 2020	Sale	(1,00,000)	(0.00)	1,57,07,785	0.58
07 Feb 2020	Sale	(13,288)	(0.00)	1,56,94,497	0.58
28 Feb 2020	Purchase	5,17,883	0.02	1,62,12,380	0.60
06 Mar 2020	Sale	(8,252)	(0.00)	1,62,04,128	0.60
13 Mar 2020	Purchase	2,07,342	0.01	1,64,11,470	0.60
20 Mar 2020	Sale	(24,591)	(0.00)	1,63,86,879	0.60
27 Mar 2020	Sale	(7,393)	(0.00)	1,63,79,486	0.60
31-Mar-20	Closing			1,63,79,486	0.60

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

01-Apr-19	Opening			92,21,290	0.68
05 April 2019	Purchase	11,39,264	0.08	1,03,60,554	0.76
12 April 2019	Purchase	19,09,487	0.14	1,22,70,041	0.90
19 April 2019	Purchase	7,57,862	0.06	1,30,27,903	0.96
26 April 2019	Sale	(10,818)	(0.00)	1,30,17,085	0.96
03 May 2019	Purchase	10,961	0.00	1,30,28,046	0.96
10 May 2019	Purchase	9,49,870	0.07	1,39,77,916	1.03
17 May 2019	Sale	(10,17,953)	(0.08)	1,29,59,963	0.96
24 May 2019	Purchase	2,80,352	0.02	1,32,40,315	0.98

31 May 2019	Sale	(37,961)	(0.00)	1,32,02,354	0.97
07 June 2019	Sale	(1,23,499)	(0.01)	1,30,78,855	0.96
14 June 2019	Sale	(3,49,588)	(0.03)	1,27,29,267	0.94
21 June 2019	Sale	(14,608)	(0.00)	1,27,14,659	0.94
28 June 2019	Sale	(11,099)	(0.00)	1,27,03,560	0.94
05 July 2019	Purchase	20,665	0.00	1,27,24,225	0.94
12 July 2019	Sale	(2,27,813)	(0.02)	1,24,96,412	0.92
19 July 2019	Sale	(4,25,919)	(0.03)	1,20,70,493	0.89
26 July 2019	Sale	(29,705)	(0.00)	1,20,40,788	0.89
02 Aug 2019	Sale	(1,43,245)	(0.01)	1,18,97,543	0.88
09 Aug 2019	Sale	(9,36,435)	(0.07)	1,09,61,108	0.81
16 Aug 2019	Sale	(6,59,715)	(0.05)	1,03,01,393	0.76
23 Aug 2019	Sale	(42,500)	(0.00)	1,02,58,893	0.76
30 Aug 2019	Sale	(8,76,325)	(0.06)	93,82,568	0.69
06 Sep 2019	Sale	(2,32,552)	(0.02)	91,50,016	0.67
13 Sep 2019	Purchase	20,602	0.00	91,70,618	0.68
20 Sep 2019	Sale	(7,32,046)	(0.05)	84,38,572	0.62
27 Sep 2019	Sale	(89,257)	(0.01)	83,49,315	0.62
18 Oct 2019	Sale	(4,48,446)	(0.03)	79,00,869	0.58
25 Oct 2019	Sale	(7,16,066)	(0.05)	71,84,803	0.53
01 Nov 2019	Sale	(1,66,766)	(0.01)	70,18,037	0.52
08 Nov 2019	Sale	(58,108)	(0.00)	69,59,929	0.51
15 Nov 2019	Sale	(64,288)	(0.00)	68,95,641	0.51
22 Nov 2019	Sale	(53,995)	(0.00)	68,41,646	0.50
29 Nov 2019	Sale	(242)	(0.00)	68,41,404	0.50
06 Dec 2019	Purchase	67,020	0.00	69,08,424	0.51
13 Dec 2019	Sale	(1,04,184)	(0.00)	68,04,240	0.25
20 Dec 2019	Bonus Credit	67,92,914	0.25	1,35,97,154	0.50
27 Dec 2019	Purchase	79,131	0.00	1,36,76,285	0.50
31 Dec 2019	Sale	(49,527)	(0.00)	1,36,26,758	0.50
03 Jan 2020	Purchase	1,65,131	0.01	1,37,91,889	0.51
10 Jan 2020	Purchase	6,38,653	0.02	1,44,30,542	0.53
17 Jan 2020	Purchase	65,417	0.00	1,44,95,959	0.53
24 Jan 2020	Purchase	13,328	0.00	1,45,09,287	0.53
31 Jan 2020	Purchase	58,690	0.00	1,45,67,977	0.54
07 Feb 2020	Purchase	24,918	0.00	1,45,92,895	0.54
14 Feb 2020	Sale	(8,015)	(0.00)	1,45,84,880	0.54
21 Feb 2020	Purchase	29,406	0.00	1,46,14,286	0.54
28 Feb 2020	Purchase	1,59,122	0.01	1,47,73,408	0.54
06 Mar 2020	Purchase	31,537	0.00	1,48,04,945	0.55
13 Mar 2020	Sale	(1,12,548)	(0.00)	1,46,92,397	0.54
20 Mar 2020	Sale	(41,458)	(0.00)	1,46,50,939	0.54
27 Mar 2020	Purchase	2,38,804	0.01	1,48,89,743	0.55
31 Mar 2020	Purchase	13,64,820	0.05	1,62,54,563	0.60
31-Mar-20	Closing			1,62,54,563	0.60

Notes:

1. The details of holding has been clubbed based on the basis of PAN.
2. % of total shares of the Company is based on the paid-up capital of the Company changed from time to time during the financial year.
3. Since, the shares of the Company are traded on a daily basis, the dates of above sale / purchase have been derived from the Beneficiary position statements received from Depositories, periodically.

Annexure 3 to the Directors' Report**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

During the financial year ended March 31, 2020, HCL Technologies Limited ('HCLT') has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length.

2. Details of material contracts or arrangement or transactions at arm's length basis**a) Name(s) of the related party and nature of relationship**

HCL America Inc., ('HCLA') a wholly-owned step-down subsidiary of the Company in the United States of America.

b) Nature of contracts/arrangements/transactions

Rendering / obtaining of services, product sales and other miscellaneous income.

c) Duration of the contracts / arrangements / transactions

Ongoing

d) Salient terms of the contracts or arrangements or transactions including the value, if any:

HCLT shall (i) provide IT / ITES services to the existing and new clients of HCLA including various support and general administrative services as may be required from time to time; (ii) HCLA shall provide IT / ITES services including various support services to HCLT; (iii) both the parties shall diligently perform their respective obligation under the contracts in timely manner and provide services in accordance with the work order issued by the customer; (iv) both the parties shall submit invoices on timely basis for the services provided for each project to each other as per the terms of contract and promptly pay the same; (v) be responsible for all the expenses incurred in connection with providing its services and (vi) comply with the local, state and federal laws and regulations applicable while providing services. The total value of transactions entered into with HCLA during the period from April 1, 2019 to March 31, 2020 is ₹6,719.83 crore.

e) Date(s) of approval by the Board, if any:

Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.

f) Amount paid as advances, if any:

Nil

For and on behalf of the Board of Directors

SHIV NADAR
Chairman & Chief Strategy Officer

Place: New Delhi, India
Date: May 7, 2020

Annexure 4 to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The objective of the CSR policy ("Policy") of the Company is to lay down guidelines for proper execution of CSR activities of the Company so as to support the sustainable development of the society. The Company has set up HCL Foundation to focus on the CSR activities of the Company. The CSR activities, projects and programmes undertaken by the Company shall be those as approved by the CSR committee and are covered under the areas set out in Schedule VII of the Companies Act, 2013. The Company is doing CSR expenditure in Education, Infrastructure, Women Development, Health, Environment Sustainability, Promoting Gender Equality and Disaster Management. Details of the Policy are on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

2. **The composition of the CSR Committee.**

CSR Committee comprises of Ms. Roshni Nadar Malhotra (Chairperson), Mr. Shiv Nadar and Mr. S. Madhavan.

3. **Average net profit of the Company for last three financial years.**

₹8,650.26 crore

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

₹173.01 crore

5. **Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year:

₹173.01 crore

(b) Amount unspent, if any;

Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below.

Sl. No	CSR Project - NGO Partner / Direct Implementation	Sector	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ / crore)	Amount spent on the projects or programs sub-heads (1) Direct expenditure (2) Overheads (₹ / crore)	Cumulative expenditure upto the reporting period (₹ / crore)	Amount spent Direct or through Implementing Agency
1	Aram Foundation Charitable Trust, Bodh Shiksha Samiti, Bro Siga Social Service Guild, Child Fund India, Childhood Enhancement Through Training and Action, Cohesion Foundation Trust, Community Aid and Sponsorship Programme, Divya Disha, Dribble Academy Foundation, Kochi Biennale Foundation, M S Chellamuthu Trust, Maatru Pratishtana (R), Masoom, Meghshala Trust, Meilji, Mobile Creches for Working Mothers Child, Mukti Rehabilitation Centre, Myrada, Nalandaway Foundation, OFERR - Organization for Eelam Refugees-Rehabilitation, Ramakrishna Vivekananda Mission, Ramakrishna Mission Students Home, Rasta, RGSB-Sightsavers, Reaching Hand, Rural Development Council, Save The Children, Society For Educational Improvement and Innovation, Society for Educational Welfare and Economic Development (SEED), Socio Economic Development Trust, Srijan Foundation, Study Hall Educational Foundation, The American India Foundation Trust, The Apparel Training & Design Centre HCL, The Kutumb Foundation, United Way of Delhi and Vikram A Sarabhai Community Science Centre	Improving the Quality of Education	Coimbatore, Noida, Chennai, Madurai, Bangalore, Vijayawada, Lucknow, Hyderabad, Kochi, Nagpur, Maharashtra, Jharkhand, UP, Kolkata, Bihar, Rajasthan, West Bengal, Pune, Hazaribagh, West Singham and Gujarat	27.21	23.51	23.51	Through Implementing Agency
2	Aragami India, Breastfeeding Promotion Network of India, Chiranjiv Medical Foundation, Community Health Education Society, CORD, Desire Society, Eleuthero's Christian Society, Family Planning Association of India, George Institute for Global Health, Gramoday Samajik Sansthan, Habitat for Humanity India Trust, Karuna Trust, Saint Hardayal Educational and Orphans Welfare Society, She Hope Society for Women Entrepreneurs, SIP Memorial Trust, Sneha Care Home, Sustainable Healthcare Advancement Trust (SUHAM), Vatsalya and Youth Health Mela, Cancer Institute (WIA)	Health care and Medical Facilities	Noida, Lucknow, Chennai, Himachal Pradesh, Hyderabad, Nagaland, Madurai, Vijayawada, Pali, Bangalore, Arunachal Pradesh and Srinagar	12.10	10.74	10.74	Through Implementing Agency
3	Aawahana The New Voice, Aroha Multipurpose Society, Books for All Trust, Bright Light Society, Buzz India Trust, Centre for Sustainable Development, Centre for Youth Development and Activities, EFRAH, Emmanuel Hospital Association, Entrepreneurship Development Institute of India, Head Held High Foundation, I Create India, India Vision Foundation, Integrated Project for Development of People, Labour Education and Research Network, Magic Bus India Foundation, Mon Ami Foundation, National Institute of Women Child and Youth Development, Noida Deaf Society, NOW (Nurturing Ones Willpower) Foundation, Prayatna, Safe Society, Saksham Trust, School Health Annual Report Programme, Self Employed Women's Association, Society for Development Alternative, Tata Institute of Social Science School of Vocation, Udayan Care and Vasavya Mahila Mandali	Livelihood Enhancement Programme	Lucknow, Nagpur, Noida, Hyderabad, Bangalore, Pune, Chennai and Vijayawada	7.80	7.55	7.55	Through Implementing Agency

Sl. No	CSR Project - NGO Partner / Direct Implementation	Sector	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ / crore)	Amount spent on the projects or programs sub-heads (1) Direct expenditure (2) Overheads (₹ / crore)	Cumulative expenditure upto the reporting period (₹ / crore)	Amount spent Direct or through Implementing Agency
4	Action for Ability Development and Inclusion, Nirantar Trust and Safal Trust	Promoting Gender Equality	Noida and Bangalore	1.27	1.27	1.27	Through Implementing Agency
5	Washi	Water, Sanitation and Hygiene	Madurai, Chennai, Noida	0.76	0.76	0.76	Through Implementing Agency
6	The Banyan	Improving the Quality of Education; Health Care and Medical Facilities	Chennai	0.46	0.46	0.46	Through Implementing Agency
7	After School Coaching Centers, Skill Development Training, IT Labs, Health Care and Sanitation, Aide Et Action(India), Don Bosco Anbu Illam, Hope Foundation, Katha, Pravah, SPARC-India	Improving the Quality of Education and Livelihood Enhancement	Bangalore, Chennai, Madurai, Noida and Lucknow	16.17	13.41	13.41	Through Implementing Agency, Through HCL Foundation
8	Mamta Health Institute for Mother & Child	Health Care and Medical Facilities; Promoting Gender Equality	Lucknow, Noida, Chennai, Bangalore	1.84	1.84	1.84	Through Implementing Agency
9	Ankur Yuva Chetna Shivr	Improving the Quality of Education; Water, Sanitation and Hygiene	Lucknow	1.10	1.10	1.10	Through Implementing Agency
10	ActionAid Association, Aroh Foundation, Blue Cross of India, Compassion Unlimited Plus Action, Development of Humane Action Foundation (DHAN), Environmentalist Foundation of India, Friendicoes SECA, Give Me Trees Trust, Gorakhpur Environmental Action Group, Green Yatra Trust, Indian National Trust of Art and Culture Heritage, Natural Environment Educational & Research Foundation, Say Trees Environmental Trust, Tarun Bharat Sangh and United Way of Bangalore	Environment Protection	Noida, Chennai, Bangalore, Madurai, Karauli and Rajasthan	8.83	8.78	8.78	Through Implementing Agency
11	Caritas India, Humanitarian Aid International and Sphere India	Disaster Relief Rehabilitation Project	Kerala, Assam and Bihar	3.08	2.83	2.83	Through Implementing Agency
12	Care India Solutions for Sustainable Development and Wildlife Trust Of India	Environment Protection; Disaster Relief Rehabilitation Project	Pan India	3.40	2.13	2.13	Through Implementing Agency
13	Project Samuday	Rural Development	Hardoi (Uttar Pradesh)	107.00	97.08	97.08	Through HCL Foundation

Sl. No	CSR Project - NGO Partner / Direct Implementation	Sector	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ / crore)	Amount spent on the projects or programs sub-heads (1) Direct expenditure (2) Overheads (₹ / crore)	Cumulative expenditure upto the reporting period (₹ / crore)	Amount spent Direct or through Implementing Agency
14	Grant Selection Process	Screening for Grant Awardees		4.50	3.12	3.12	Through HCL Foundation
15	Power of One	Screening for Scholarships		1.40	0.59	0.59	Through HCL Foundation
16	Overhead expenses	Administration Expenses		0.88	0.66	0.66	Through HCL Foundation
17	Consultancy Expenses	Consultancy Expenses		1.20	0.46	0.46	Through HCL Foundation
	Total Expenditure			199.00	176.29	176.29	

Notes:

The Company undertakes CSR activities through HCL Foundation, a Trust established by the Company and through implementing agencies. During the year, the Company has contributed ₹174.99 crore for CSR activities. The Trust, apart from Company's contribution, also collected CSR contribution from other Group Companies to the extent of ₹3.20 crore, employee contribution (including Power of One) amounting ₹1.63 crore and earned interest of ₹0.20 crore on savings bank account. The total amount spent towards CSR and other charitable activities during the year was ₹176.29 crore. The Cash balances as on April 1, 2019, and March 31, 2020 with HCL Foundation were ₹3.41 crore and ₹7.13 crore respectively.

6. The reason for not spending the prescribed amount for CSR (two per cent of the average net profit of the last three financial years or any part thereof) is: Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.
- We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

SHIV NADAR
Chairman & Chief Strategy Officer

ROSHNI NADAR MALHOTRA
Chairperson, Corporate Social Responsibility Committee

Place: New Delhi, India
Date: May 7, 2020

Annexure 5 to the Directors' Report

Particulars pursuant to section 134 (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

a) CONSERVATION OF ENERGY AND WATER

Renew Ecosystem

As a responsible corporate, we believe that we have got accountability to the future and an imperative role to play in addressing global energy challenges, climate change and environmental sustainability. The Company has made a commitment to conserve the environment by adopting the "Go Green Initiatives" and being responsible for energy and water management in its area of operations and perform energy efficiency by consuming energy and water in an efficient, economical and environment friendly manner throughout all its premises.

The initiatives and good practices as adopted by the Company during the financial year 2019-20 that attributed towards reduction in carbon footprint are described below:

1. **Renewable Power Purchase** - In continuation with our commitment to reduce "carbon footprint", we have procured renewable power equal to **26,460 MWH** for our major campuses during the year. The source of this power was wind, solar and hydel based electricity. This much of Green Power Purchase has enabled the Company to reduce carbon footprint of **21,961 tCO₂e*** (Ton of Carbon Emission) over the other available power resources like Grid and Captive. Renewable Power is contributing to **10.38%** of overall PAN India YTD consumption.
2. **High Side - Chiller Operational Performance Improvement** - Chiller Performance improved in all major facilities due to the improvement in the effectiveness of cooling tower with the help of auto chemical dosing, fills replacement and condenser descaling activities which has helped the Company to save **1,391 MWH** of energy during the year and has also helped in reducing the carbon footprint by **1,154 tCO₂e*** (Ton of Carbon Emission).

Water cooled chillers are installed at most of the locations which consume lesser power than air cooled chillers while air cooled chillers are installed only in water deficit areas. The auto chemical dosing system installed in SEZ Noida campus has also helped in saving significant amount of water.
3. **Low Side - HVAC Operational Performance Improvement** - Low side HVAC systems have been implemented in all major facilities including energy efficient unit installation, VAV renovation, defective coils and filter replacement, increase of temperature set point and other related operational controls that has helped the Company in saving **2,136 MWH** of energy during the year and has also helped in reducing the carbon footprint by **1,773 tCO₂e*** (Ton of Carbon Emission). VFDs (Variable Frequency Drives) are also being used in AHUs which result in lower power consumption by regulating the frequency of the motor which is based on the return air temperature feedback, an indicator of the occupancy and heat load.

In critical areas like data centers and server rooms where dual circuit air-conditioning (precision and chilled water based) is installed, a chilled water based HVAC system is preferred during regular operations.

4. **Energy Efficient Lighting and Control** - LED lights are being used in all the areas including ODCs and common areas as well as in the basements of all major campuses. Motion sensors which operate on occupancy and movement and use daylight harvesting feature have also been installed in these areas, which has resulted in optimum usage of lights and energy conservation.

Energy savings accrued during the year towards "Interact LED, Non-Interact LED and Efficient Lighting Controls" has led to saving of **2,495 MWH** of absolute energy consumption during the year which has helped the Company to reduce **2,071 tCO₂e*** (Ton of Carbon Emission) of carbon footprint.

LED lighting implemented under Project URJA in FY16 has continued to save energy and contributed significantly in saving **2,174 MWH** of absolute energy consumption during the year with reference to the base year which is being tracked till the payback period.

5. **Effective Utilization of UPS** - Effective utilization of UPS systems in the shortlisted facilities has been realized by installing energy efficient unit as per demand and by increasing the efficiency of existing UPS systems through shutdown of over capacitated UPSs. This has enabled the Company to save **721 MWH** of absolute energy consumption during the year and has helped reduce **598 tCO₂e*** (Ton of Carbon Emission) of carbon footprint.
6. **Elevator and STP Operation optimization** - Revised operating schedule of lifts has been adopted during weekends in major campuses. STP blower retrofit implemented in one of the Bangalore region facilities also continued to give energy saving. This helped the organization to save **17.5 MWH** of absolute energy consumption in this fiscal year and to reduce **14.5 tCO₂e*** (Ton of Carbon Emission) of carbon footprint.
7. **Solar Water Heating** - Solar Hot water of **250 LPD** capacity installed in the month of February, 2019 at one of the Madurai region facilities continued to preserve **3.2 MWH** of electric energy required from conventional heating to heat water. Energy saving was worked out in comparison to conventional method of electrical heating and was tracked till one year of completion of the activity.
8. **Water Conservation** - Auto chemical dosing, use of treated sewage water for flushing, use of landscaping and soft water applications, use of 3 LPM water aerators in hand wash taps, rainwater collection and its usage all has led to the conservation of ground water of **87,163 KL** during the year.

A summary of above mentioned operational efficiency related interventions is tabulated as below: -

S. No	Intervention Particulars	FY19-20 (MWH)	Carbon Footprint Reduction (tCO ₂)
Energy Related Intervention Particulars			
1	Renewable Power Purchase	26,460	21,961
Operational related intervention			
1	Chiller Operational Performances Improvement	1,391	1,154
2	HVAC Operational Performances Improvement	2,136	1,773
3	Energy Efficient Lighting and Controls	2,495	2,071
4	Effective utilization of UPS	721	598
5	Elevator and STP Operation optimization	17.5	14.5
6	Solar Water Heating	3.21	2.66
Grand Total		33,223	27,575

Conversion reference Grid Emission Factors - CO₂ Baseline Database for the Indian Power Sector 2019. Weighted average emission factor of the Indian Grid taken in tCO₂/MWh.

SI. No	Water related Intervention Particulars	FY19-20 (KL)	HCL Facility Covered
1	STP treated water use	61,396	ETA, NGP and SEZ NOIDA
2	Water aerators (3 LPM capacity)	21,126	PAN India
3	Water reuse (fountain water/ reject water)	3,549	Pune (AMB) and MDU
4	EWC flush valve adjustment	1,092	HYD
Grand Total		87,163	

b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has made strategic investments in digital transformations focused on building persona specific digital solutions for enterprise processes, analytics and next gen workplace requirement. These solutions have helped the Company to build high efficiencies across processes and improve the employee engagement levels driving superior performance.

Key Platforms of Competitive Differentiation

The design theme for the employee centric platform of the Company is towards higher employee engagement. The Company has integrated newer technologies of machine learning and chat bot capabilities for empowering the employees to engage themselves in a productive collaborative ecosystem. Persona specific solutions for sales and delivery are further augmented with contextual collaboration. New composite user cases are also added in earlier solutions. Digital analytics platform is extensively being used across management levels for actionable insights due to its predictive and self-service capabilities which helps in building delivery specific scenarios for improved decision making. 'Procure to Pay' process cycle is revamped to drive cycle time efficiencies and end to end governance. IT asset lifecycle management process is also revamped along with associated processes to have integrated visibility of asset and control over its usage across its life cycle. In addition, application landscape is also being modernized and moved towards an integrated modern

infrastructure platform with improved agility, scalability, availability and enterprise grade security.

Digital Workplace for Future

The Company has created an office productivity stack with Office 365 email services catalogue as its core. Newly added workloads in productivity stack helps employee not only to collaborate and deliver more efficiently, but also helps them in self-improvement by providing consolidated insights on their user behavior. Composite use cases were built around next generation communication and collaboration capabilities of Microsoft Teams with features like BOT and analytics engine integration with service desk and other applications. Moreover, the Company has rolled out the Enterprise mobility + security suite for its mobile workforce to securely utilize cloud-based productivity services.

Improved Resilience and Security Posture

The Company has made a delicate balance between providing enterprise class security for its diverse scale and scope of operations while not compromising on consumer grade flexibility and user experience to its millennial workforce. The continuous focus on IT base line control is extended toward sharper engagement level compliance instead of broader enterprise level compliance. This is reflected in our improved scores (consistently in top 3 among peer group) as per the benchmarking done by independent external security rating agencies. Security posture has been further improved with multi-pronged strategy. The Company has made significant

investment in newer capabilities like network segmentation which has provided it with the flexibility of isolating a specific part of environment, thus limiting the impact of any external security attack. New age technology investment in areas like deception, advance persistent threat etc. has reduced the response time and improved the effectiveness of deterrence. The Company has also made investment in broader coverage of security infrastructure with disaster recovery and high availability in consideration. Further, the Company has also revised its enterprise architecture and made necessary architectural changes in its dynamic global infrastructure footprint.

c) RESEARCH AND DEVELOPMENT (“R&D”)

(i) **Specific areas in which R&D was carried out**

a. Cochlear Implant Development

- The Cochlear Implant (CI) medical device is an advanced hearing assistance device which can restore hearing to patients where normal hearing aids will not be effective.
- There are 360 Million people worldwide who live with disabling hearing loss, out of which 88 Million are in South Asia (India, Bangladesh, Nepal, Bhutan, Pakistan and Afghanistan). Approximately 17 Million people in South Asia could benefit from CI.
- This device consists of an external unit (that goes behind the ear) and an internal unit which is surgically implanted. It is expected that this device will give significant benefits to the hearing-impaired people at competitive prices.
- Along with this device, the entire ecosystem software is also getting developed, comprising of audiologist application software and rehabilitation application software which will help in the rehabilitation of patients.
- The key technologies used in this development are digital signal processing techniques for sound processing, noise cancellation, stimuli generation, RF Power and data transfer, low power technologies and miniaturized components such as mixed signal ASIC, electrodes and implant hardware with significant progress made in these areas.

b. Autonomous Vehicle Development with Connected Car Features

- The aim of this initiative is to create solutions and technologies for autonomous vehicles. Its scope has been further extended to convert this into a connected car.
- A gasoline sedan vehicle has been retrofitted with the Company's automotive engineering technologies to make it a Level-3 autonomous vehicle. This vehicle is equipped with cameras and sensors such as RADAR, LIDAR, satellite receivers and ultra-high-power processing chips from leading global technology companies.
- The typical matured use cases implemented in this Level-3 vehicle demonstrators are 'lane

keep assist' for curves and side lanes, vehicle and obstacle detection, pedestrian detection, traffic sign detection, speed bump detection, etc. It also includes predefined path planning using high precision maps and high precision GPS.

- Advanced sensor fusion algorithms have been implemented to ensure that the car runs in different environmental conditions.
- Technologies like V2X, V2I have also been integrated for intelligent dynamic decision making and remote controlling of some of the vehicle parameters such as engine on/off, door lock/unlock, etc. through a mobile application with authorization.

Benefits Derived

- Developed the Company's solutions in advanced platforms for autonomous vehicle development.
- Some of the concepts developed as part of this program are unique and positions the Company at the forefront of these technologies.
- Helps global customers in faster development of algorithms for different applications and also in improving the quality, productivity and response time of their internal autonomous driving programs.

c. 5G Solutions

- Multi-Band MM-Wave and Microwave Solutions
 - 5G multi-band modem combines E-band for high throughput with microwave for high availability to provide for flexible 5G mobile transport requirements for front/mid and backhaul.
 - Modem design is scalable to higher bands for higher throughputs catering to various 5G deployment scenarios.
 - Multi-band modem supports customization and integration of OEM specific functions.
- HCL Hardware Acceleration Solutions for 5G Cloud Deployments
 - Solutions for 5G transport layers, improving capacity and performance of data plane in SDN/NFV deployments.
 - Solutions for accelerating services of 5G core and 5G radio access by offloading high compute modules to programmable accelerator cards.
- HCL Cloud-Based Wireless LAN Controller
 - Virtualized, scalable, full featured solution for managing Wi-Fi access points supporting latest standards up to WiFi-6 (802.11ax).
 - Advanced analytics-based solution, providing interference detection, avoidance and load balancing across access points.

Benefits Derived

- Helps global customers launch solutions for deploying hybrid 5G networks and provides improved quality experience to end customers.

Future Action Plan

- To continue to invest in technologies for integrated 5G access points, AI/ML based network optimization and radio resource management solutions for 5G networks.

d. Automate and Accelerate Cloud Migration (CloudBridge)

- CloudBridge is a transformational bridge to engineer and transit on-premise products, platforms and services to one or more cloud platforms and enable business models around cloud hosted products.
- It helps enterprises traverse the path from on-premise to cloud in a short span of time with minimal risks and helps in realizing measurable business benefits from cloud adoption.
- It comes with guidance, best practices, assessment framework, migration accelerators, validation toolsets and marketplace integration with in-built automation and analytics.

Benefits Derived

- Assessment framework helps in developing comprehensive cloud migration strategies with in-depth intelligent insights into on-premise workload and environments.
- CloudBridge suite automates and accelerates the development, deployment and management of self-contained, highly maintainable and testable applications on cloud platform.

Future Action Plan

- To continue to invest in enhancing migration recommendation including hybrid models and multi-cloud migration scenarios.
- To build toolkits to make migration to wider target platforms easier and hassle-free.

e. Connected Assets in Regulated Environment (CARE™) Platform

- CARE™ platform accelerates the development of highly secure and regulatory compliant applications related to medical devices and patient engagement.
- It enables remote device monitoring and control of medical devices and provides device data visibility to patients and health service professionals.

Benefits Derived

- Rapid application development in less time which gives clients a competitive edge with significant

reduction in time-to-market and reduced cost of ownership.

Future Action Plan

- To develop more pluggable and reusable modules along with DevOps framework to strengthen the security, data handling and regulatory compliance capabilities of existing platforms.
- To enhance the CARE™ platform to adapt to more cloud native technologies as well as server-less and event-driven architecture.

f. Intelligent Automation for Product Testing and Engineering Processes (OPTIMUS)

- OPTIMUS suite comprises of two products SmarTest and AutoMate. These products are aimed at accelerating software and devices testing along with enhancing productivity of engineers in test and sustenance process.
 - SmarTest is an analytics driven test automation platform aimed at enabling rapid test design and optimized test execution for software applications and hardware devices.
 - AutoMate is an analytics led engineering process automation platform for creation, updation and review of technical documents or drawings across product design and sustenance lifecycle.

Benefits Derived

- Faster test automation for multi-channel applications supported by machine learning based recommendations and seamless integration with automation tools across product test lifecycle.
- Accelerate creation and updation of engineering documents by collecting input data from multiple documents or PLM sources thereby eliminating human errors and minimizing the need for multiple levels of reviews.

Future Action Plan

- To enhance capabilities on analytics with more focus on self-learning and analytics driven decision enablement.
- To strengthen the support for complex test automation scenarios for software and devices, thereby addressing the challenges of customers in IoT and unified communication segments.
- To expand product functionality to support mechanical engineers by enabling efficient reviews of 2D models and engineering documents having both structured and unstructured data.

g. Intelligent Tech Support (ITS)

- ITS is an AI driven and machine learning based advanced customer support product that uses the information mined from support history and various other support sources.

- It provides recommendations and predictions to the support agents and offers personalized support services by leveraging customer insights and data.
- It comes with an AI Powered intelligent assistant (Chatbot / Virtual Agent) with automated self-learning capabilities that creates a contextualized customer engagement.

Benefits Derived

- It improves the operational efficiency, throughput and customer experience and helps in reducing support ticket volume and increase in support agent productivity.

(ii) **Expenditure on R&D for the years ended March 31, 2020 and March 31, 2019 are as follows:**

(₹ in crore)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Revenue expenditure	381	229
Capital expenditure	-	-
Total R&D expenditure	381	229
R&D expenditure as a percentage of revenues	1.17	0.88

d) **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company is an export-oriented unit and majority of its business services are for clients outside India. During the year, a substantial portion of the revenue of the Company was derived from the exports.

The foreign exchange earned and spent by the Company during the year under review is as follows:

(₹ in crore)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Foreign exchange earnings	29,195	22,892
Foreign exchange outgo		
- Expenditure in foreign currency	6,913	4,470
- CIF value of imports		
Capital goods	163	1,561
Others	344	325
- Dividend remitted in foreign currency	224	183
	7,644	6,539

For and on behalf of the Board of Directors

SHIV NADAR
Chairman & Chief Strategy Officer

Place: New Delhi, India
Date: May 7, 2020

Annexure 6 to the Directors' Report

Directors' Responsibility Statement as required under Section 134(3)(c) of the Companies Act, 2013

- a) 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, 2013 to the extent applicable to the Company. There have been no material departures from prescribed accounting standards while preparing these financial statements;
- b) 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 March 31, 2020 and the profit of the Company for the year ended on that date;
- c) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The Board of Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Board of Directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

For and on behalf of the Board of Directors

SHIV NADAR
Chairman & Chief Strategy Officer

Place: New Delhi, India
Date: May 7, 2020

Annexure 7 to the Directors' Report

DETAILS ON STOCK OPTION PLANS

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 were administered by the Nomination and Remuneration Committee (erstwhile Compensation Committee) of the Board and provided for the issuance of 20,000,000; 15,000,000 and 20,000,000 options respectively.

The Company has a 'HCL Technologies Stock Options Trust' formed as per the SEBI (Share Based Employee Benefits) Regulations, 2014, to implement, manage, operate and/or administer the 2004 Stock Option Plan of the Company. However, since the Company had been allotting shares directly, the said trust mechanism was not used. As on March 31, 2020, all the three ESOP Plans, viz. the 1999 Plan, 2000 Plan and the 2004 Plan have been terminated.

The details of the options granted under the 1999 Plan, 2000 Plan and 2004 Plan are given below:

S. No.	Description	1999 Plan	2000 Plan	2004 Plan
1	Date of shareholders' approval	13-Sep-99	20-Oct-00	17-Dec-04
2	Total number of options granted (gross)	2,66,00,874	1,77,47,401	84,24,132
3	The pricing formula	Market price / internal valuation	Market price	Market price / price determined by Nomination and Remuneration Committee (erstwhile Compensation Committee)
4	Number of options vested	1,75,29,862	1,04,66,138	58,20,927
5	Number of options exercised	1,39,57,786	74,70,809	57,12,169
6	Total number of shares arising as a result of exercise of options	11,16,62,288	5,97,66,472	4,56,97,352
7	Number of options lapsed & forfeited	1,26,43,088	1,02,76,592	27,11,963
8	Variation in terms of options	None	None	None
9	Money realized by exercise of options (₹ in crore)	516.19	434.43	14.43
10	Total number of options in force as on March 31, 2020	-	-	-
11	Grant to Senior Management			
	Number of Options	19,67,175	2,54,904	29,87,600
	Source of Shares	Combination	Combination	Primary
	Vesting Period	110 Months	104 Months	96 Months
	Vesting Requirements	Service Period / Company's Performance on the basis of consolidated financial statements		

Note: The diluted earnings per share were ₹33.05 and ₹29.75 for the fiscal years ended March 31, 2020 and March 31, 2019 respectively (the earnings per share have been adjusted for bonus issue for the previous financial year ended March 31, 2019).

Details of Stock Option Plans for the year ended March 31, 2020			
Particulars	1999 Plan	2000 Plan	2004 Plan
Total number of options outstanding as on April 1, 2019	-	-	69,210
Number of options granted during the year	-	-	-
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Nomination and Remuneration Committee (erstwhile Compensation Committee)
Number of options vested during the year	-	-	-
Number of options exercised during the year	-	-	69,210
Total number of shares arising as a result of exercise of options during the year	-	-	5,53,680
Number of options lapsed & forfeited during the year	-	-	-
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ in crore) (includes issued through Trust)	-	-	0.11
Total number of options in force as on March 31, 2020	-	-	-
Total number of options exercisable as on March 31, 2020	-	-	-
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 crore)	N.A.	N.A.	N.A.
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.	N.A.
Weighted average fair value of options granted below market price (₹)	N.A.	N.A.	N.A.
Method and significant assumptions used during the year to estimate the fair values of options			
Method	Black-Scholes	Black-Scholes	Black-Scholes
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 (Rs.)	N.A.	N.A.	N.A.
Determination of expected Volatility	The expected term of the ESOP is estimated based on the vesting term and contractual term of the ESOP. Expected volatility during the expected term of the ESOP is based on historical volatility of the observed market prices of the Company's publically traded equity shares during a period equivalent to the expected term of the ESOP.		

Pre-IPO Details of Stock Option Plan	
Particulars	As on March 31, 2020 ESOP 1999 Plan
Number of options granted pre-IPO	1,42,23,832
Pricing formula	Internal valuation
Number of options vested	1,16,48,957
Number of options exercised	1,02,34,702
Total number of shares arising as a result of exercise of options	4,09,38,808
Number of options lapsed	39,89,130
Variation in terms of options	None
Money realised by exercise of options (₹ in crore)	259.41
Total number of options in force as on March 31, 2020	-
Fair value compensation cost for options granted (₹ in crore)	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%

Employee Compensation Cost based on fair value of the options	
Particulars	Year ended March 31, 2020 (₹ in crore)
Net income, as reported	8,969.00
Add: Stock-based employee compensation expense included in reported net income	Nil
Deduct: Total stock-based employee compensation expense determined under fair value-based method for all awards	Nil
Proforma net income	8,969.00
Earnings per share	₹
As reported - Basic	33.06
- Diluted	33.05
Adjusted pro forma - Basic	33.06
- Diluted	33.05
Method and significant assumptions used during the year 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 March 31, 2020
None
Details of options granted to employees amounting to 5% or more of the options granted during the year ended March 31, 2020
None
Details of options granted to employees during the year ended March 31, 2020, 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

SHIV NADAR
Chairman & Chief Strategy Officer

Place: New Delhi, India
Date: May 7, 2020

Annexure 8 to the Directors' Report

Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. List of top ten employees in terms of remuneration received during financial year 2019-20

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received during the year (₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
1	Prahlad Rai Bansal	63	Deputy Chief Financial Officer	CA	5,69,64,262	August 30, 2000	41	HCL America Inc.	Vice President	November, 1997
2	Amit Roy	61	Executive Vice President - Taxation	CA	3,92,42,981	July 16, 2007	36	Samsung India Electronics Private Limited	Vice President - Taxation	September, 2006
3	Maninder Singh Narang	50	Corporate Vice President & Global Head - Cyber Security & Global Risk Compliance	PGD - Marketing Management	3,68,35,413	August 21, 1995	30	Fujitsu ICIM Limited	Major Account Manager	February, 1992
4	Ajit Krishnan Kutty Kumar	56	President - Applications & Systems Integration Services Delivery	MBA - Marketing	3,46,47,680	July 1, 2013	32	Accenture Services Private Limited	Managing Director	June, 1988
5	Apparao V V	58	Chief Human Resources Officer	B. Tech, M. Tech	3,46,08,500	March 10, 2003	36	Ascend Technologies Limited	Director / Centre Head	August, 1996
6	Goutam Rungta	47	Executive Vice President - Business Finance	CA, CWA	3,13,80,495	March 1, 2007	24	General Motors India Private Limited	General Manager - Finance	July, 2003
7	Vineet Vedprakash Sood	53	Executive Vice President - Treasury	CWA	3,08,99,291	November 25, 2010	29	Tata Consultancy Services Limited	Treasurer	March, 2006
8	Gade Hanumantha Rao	62	President - Engg. and R&D Services	B. Tech - Electronics	3,08,07,486	July 1, 1996	39	HCL Hewlett Packard Limited	Senior Manager - R&D	November, 1980
9	Prateek Aggarwal	53	Chief Financial Officer	MBA - Finance	3,00,37,089	October 1, 2012	29	Hexaware Technologies Limited	Chief Financial Officer	June, 2008
10	Subramanian Gopalakrishnan	53	Executive Vice President - Business Finance	CA, CS, CWA	2,90,03,982	December 9, 2010	30	Satvam Computer Services Limited	Vice President - Finance	June, 2005

B. List of employees employed for full financial year and in receipt of remuneration more than Rupees One Crore and Two Lakhs per annum

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
1	Abhinav Sharma	46	Vice President - Infra Digital Platform	MBA - Information Systems	1,22,80,809	October 11, 2010	18	Infosys Technologies Limited	Senior Systems Manager	May, 2006
2	Aji Kumar Balakrishnan	50	Vice President - Infrastructure Division - US Delivery	Diploma - Electronics	1,05,19,776	September 15, 2000	30	Redington (India) Limited	Regional Manager Customer Support	January, 1994
3	Ajit Krishnankutty Kumar	56	President - Applications & Systems Integration Services Delivery	MBA - Marketing	3,46,47,680	July 1, 2013	32	Accenture Services Private Limited	Managing Director	June, 1988
4	Amit Roy	61	Executive Vice President - Taxation	CA	3,92,42,981	July 16, 2007	36	Samsung India Electronics Private Limited	Vice President - Taxation	September, 2006
5	Amitava Sengupta	50	Executive Vice President - Digital & Analytics	M. Tech - Computer Science	1,50,76,965	October 26, 2009	26	Tata Consultancy Services Limited	Sr. Consultant / IOU Head	April, 1994
6	Amrita Das	45	Vice President - HR	MBA - Marketing Management	1,16,29,581	July 21, 2008	20	Dilithium Networks	Head of HR	June, 2007
7	Apparao V V	58	Chief Human Resources Officer	B. Tech, M. Tech	3,46,08,500	March 10, 2003	36	Ascend Technologies Limited	Director / Centre Head	August, 1996
8	Ashish Sampatraj Kothari	44	Deputy General Manager - Engg. and R&D Services	M.E. / M. Tech	1,96,44,124	December 5, 2018	19	Kenforce and Inspired Technologies Private Limited	Chief Technology Officer	November, 2018
9	Ashu Kakkar	49	Vice President - Global Information Technology	MBA - Information Technology	1,06,01,314	September 5, 2005	27	Tata Technologies Limited	Consultant	February, 1993
10	Atul Kumar Jain	57	Senior Vice President - Finance	CA	1,33,34,697	July 1, 2013	32	HCL Comnet Systems & Services Limited	Vice President - Finance	May, 2000
11	Avishek Chattopadhyay	41	Senior Vice President - Digital Process Outsourcing	MBA - Marketing Management	1,90,39,356	May 2, 2005	15	N.A.	N.A.	N.A.
12	Bashyam Thirumalai Echambadi	55	Principal - Engg. and R&D Services	M.E. / M. Tech - Electronics	1,22,31,654	October 18, 1992	32	IND CHEM R&D Lab	Sr. Engineer	March, 1991
13	C Vinay Kumar Singh	54	Vice President - Applications & Systems Integration Services Delivery	M.E. / M. Tech - Aviation	1,13,31,437	December 1, 2010	29	Vinculum Solutions Privet Limited	Vice President	June, 2008
14	Dakshina Murthy Chunduri	51	Senior Vice President - Engg. and R&D Services	B.E. / B. Tech (Hons) - I.T. / Computer Science	1,07,60,741	July 1, 1996	29	Softek Private Limited	Engineer	August, 1991
15	Debasis Sarkar	44	Vice President - HR	PGD - HR / Industrial Relations	1,34,64,999	April 29, 2013	20	Bharti Airtel Private Limited	General Manager	November, 2012
16	Gade Hanumantha Rao	62	President - Engg. and R&D Services	B. Tech - Electronics	3,08,07,486	July 1, 1996	39	HCL Hewlett Packard Limited	Senior Manager - R&D	November, 1980

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
17	Ganesh Srinivasan	44	Senior Enterprise Architect - Engg. and R&D Services	MCA - Computer Science	1,47,24,569	July 1, 2002	17	Sip Tech.	Developer	February, 2000
18	Gaurav Saini	41	Associate Vice President - Service Delivery	B. Com, Diploma In System Management	1,10,11,455	March 16, 2009	22	Patni Computers Systems Limited	Business Leader	June, 2007
19	Goutam Rungta	47	Executive Vice President - Business Finance	CA, CWA	3,13,80,495	March 1, 2007	24	General Motors India Private Limited	General Manager - Finance	July, 2003
20	Gunamani Rajagopal	56	Principal - Engg. and R&D Services	B.E. / B. Tech / B. Eng. (Hons) - Electronics	1,22,44,050	October 27, 1997	32	Texas Instruments	Senior Development Engineer	November, 1995
21	Jagdeep Singh Chawla	45	Senior Vice President & Delivery Head-Pharma/Life Sciences	B.E. / B. Tech / B. Eng. (Hons) - I.T. / Computer Science	1,25,12,417	May 11, 2006	23	Perot Systems	Associate	December, 2004
22	Jagtar Singh Sekhon	46	Deputy General Manager - Engg. and R&D Services	B.E.	1,93,63,007	December 5, 2018	18	Kenforce And Inspired Technologies Private Limited	Managing Director	November, 2018
23	Maninder Singh Narang	50	Corporate Vice President & Global Head - Cyber Security & Global Risk Compliance	PGD - Marketing Management	3,68,35,413	August 21, 1995	30	Fujitsu ICIM Limited	Major Account Manager	February, 1992
24	Manish Anand	51	Company Secretary	CS, CWA	1,25,18,852	June 21, 1995	29	Bharat Heavy Electricals Limited	Accounts Officer	July, 1992
25	Merwin Dhanaraj	50	Vice President - HR	MSW (Personnel, HR & IR)	1,00,54,650	September 27, 2006	27	Sutherland	Senior Manager	September, 2004
26	Murali KS	57	Senior Vice President - Applications & Systems Integration, Delivery	B.E. / B. Tech / B. Eng. (Hons) - I.T. / Computer Science	2,50,21,699	March 10, 2005	33	PSI	Vice President	March, 1990
27	Nalin Mittal	48	Senior Vice President - Corporate Global Workplace Solutions	CA, CWA	1,44,32,565	April 1, 1998	27	Pricewaterhouse Coopers	Article	July, 1993
28	Navin Sabharwal	46	Fellow & Chief Architect - DRYICE	B. Com, GNIIT Prof. Certification On System Mgmt.	1,34,51,510	November 26, 1998	21	N.A.	N.A.	N.A.
29	Nirmala Datla	56	Senior Vice President - Engg. and R&D Services	B. Tech, PGD In Senior Management Program (SMP)	1,33,33,117	April 24, 2014	36	Microsoft India (R&D) Private Limited	Regional Director	January, 2013

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
30	Pradeep Sharma	49	Global Operations Director - Global Information Technology	Polytechnic Diploma - I.T. / Computer Science	1,08,20,732	September 16, 2014	23	Concentrix Daksh	General Manager	November, 2012
31	Prahlad Rai Bansal	63	Deputy Chief Financial Officer	CA	5,69,64,262	August 30, 2000	41	HCL America Inc.	Vice President	November, 1997
32	Prasun Roy Barman	52	Senior Vice President - Service Delivery	MBA, B.E. / B. Tech - Electronics	1,21,57,063	August 7, 2003	26	CSC India Limited	Lead Consultant	June, 2003
33	Prateek Aggarwal	53	Chief Financial Officer	MBA - Finance	3,00,37,089	October 1, 2012	29	Hexaware Technologies Limited	Chief Financial Officer	June, 2008
34	Puneet Mehra	50	Vice President - Business Finance	CA, CWA, B. Com (H)	1,09,03,874	August 19, 2003	25	HCL Comnet Limited	Dy. General Manager - Finance	August, 2003
35	Raghwan Subramaniam	44	General Manager - Applications & Systems Integration Services Delivery	B.E. / B. Tech / B. Eng. (Hons.)	1,31,63,572	August 20, 2007	24	Infosys Technologies Limited	Project Manager	August, 2007
36	Rahul Mohita	43	Senior Vice President - CEO Office	CA	1,81,16,918	September 16, 2013	20	Ondot Couriers & Cargo Limited	Strategic Investor	August, 2012
37	Raj Kumar Walla	53	Senior Vice President - Finance and Accounts	CWA - Financial Accounting	1,30,81,244	June 5, 1995	33	Pfizer Limited	Accounts Officer	July, 1993
38	Rajesh Gupta	60	Vice President - Taxation	CA	1,56,66,358	March 17, 2010	34	JSL Limited	Vice President - Taxation	May, 2009
39	Ramaswamy Pathiyoor Varadarajan	56	Senior Vice President - Head Enterprise Applications & Digital Transformation	CWA Final	1,36,55,022	November 12, 2015	29	Mphasis Limited	Vice President	July, 2008
40	Rampal Singh	38	Director - Infra Digital Platform	BSC - I.T. / Computer Science	1,13,32,674	April 25, 2011	13	CSC India Private Limited	Principal Consultant	August, 2007
41	Rangarajan Vijayaraghavan	55	Executive Vice President - Applications & Systems Integration, Delivery	M.A.	1,29,56,614	May 22, 2009	33	Satyam Computer Services Limited	Vice President	May, 1999
42	Ravi Yeddapanudi	47	Senior Vice President - Sales	B.E. / B. Tech / B. Eng. (Hons.) - Electronics	1,02,76,898	December 6, 2007	26	HCL Comnet Limited	Dy. General Manager	December, 2007
43	Renju George Varghese	46	Fellow & Chief Architect - Cybersecurity	MCA - I.T. / Computer Science	1,40,87,225	December 7, 1999	22	Advanced Centre For Computing Technology	System Administrator	May, 1998
44	Ritesh Kumar Jain	42	Vice President - Digital Process Outsourcing	B.E. - Electronics / Communication	1,04,11,786	October 17, 2016	19	ValueLabs Solutions	Associate Vice President	July, 2015
45	Sachin Bajaj	43	Senior Vice President - Digital & Analytics	MBA - Management	1,37,64,781	August 25, 2014	23	Eureka Mobile Advertising	Vice President	December, 2012
46	Sandeep Srikantan Srinivasan	39	Associate Vice President - Digital & Analytics	B.E. / B. Tech. / B. Eng. (Hons.) - Instrumentation & Control	1,05,82,417	May 22, 2006	18	Infosys Technologies Limited	Software Engineer	November, 2003

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
47	Sanjay Gupta	50	Corporate Vice President & Program Director – New Vistas	B. Tech - Electronics	1,71,74,208	April 20, 1995	27	Su-Kam Communications Private Limited	Customer Support Engineer	November, 1993
48	Sanjay Kumar Mendiratta	54	Vice President – Investor Relations	MBA - Finance	1,02,54,340	January 17, 2008	29	Attest Testing Services Limited	Dy. Vice President	October, 2003
49	Sanjoy Ghosh	46	Senior Vice President - Engg. and R&D Services	B. Sc., PGCPM (PG Certificate Prog. in Mgmt.	1,10,47,355	May 8, 1995	26	Nucleus Software Exports Limited	System Engineer	July, 1994
50	Seshan Sowmya Narayanan	47	Senior Vice President - Automation, ML, AI, Industrialization and EN-Presales	Polytechnic Diploma – Electronics / Telecommunication	1,60,04,911	March 2, 2010	29	Iopex Technologies Private Limited	Director	May, 2009
51	Shyam Enjeti	42	Senior Vice President - Digital & Analytics	B. Tech., PGD in Ms - Telecommunication	1,33,55,569	January 11, 2010	17	Vordel, Inc. (USA)	Senior Solution Architect	May, 2008
52	Siva Subrahmanyam Kothapalli	46	SVP & Global Delivery Head – Internet of Things	MBA - General Management	1,38,65,158	July 26, 2016	23	Amdocs	Head, Gurgaon Development Centre	May, 2011
53	Srimathi Shivashankar	52	Corporate Vice President & Program Director – New Vistas	MBA - Business Administration	1,69,60,595	December 1, 2010	17	Infosys Limited	Senior Lead - Diversity	January, 2003
54	Subramanian Gopalakrishnan	53	Executive Vice President - Business Finance	CA, CS, CWA	2,90,03,982	December 9, 2010	30	Satyam Computer Services Limited	Vice President - Finance	June, 2005
55	Sumant Parimal	44	Operations Director – Engg. and R&D Services	B.E. / B. Tech. / B. Eng. (Hons.) - Aviation	1,36,61,907	April 23, 2001	22	Baehal Software Limited	Senior Software Engineer	November, 1998
56	Surya Pawan Kumar Vadapalli	45	Executive Vice President - Applications & Systems Integration, Delivery	MBA - Personnel, HR & IR	1,06,21,010	May 14, 2009	25	Satyam Computer Services Limited	Associate Vice President	August, 2002
57	Swapan Johri	55	Corporate Vice President- APAC, ME & India Business	B. Tech. (Chemical)	2,16,91,306	June 1, 1999	34	HCL Infosystems Limited	Business Entity Manager (North)	June, 1986
58	Tajeshwar Singh	44	Senior Vice President - Infra Digital Platform	B.E. / B. Tech. / B. Eng. (Hons.) - Electronics	1,19,97,211	February 8, 2001	22	Microland Limited	Network Engineer	February, 2000
59	Varanasi Guru Venkata Subbaraya Sharma	56	Senior Vice President - Internal Audit & Risk Management	ICWA Auditor	2,84,11,488	January 24, 2011	33	ATG Tires Private Limited	Vice President - Internal Audit	June, 2010
60	Venkata Krishna Chaitanya Chalamala	44	Associate Vice President - Digital & Analytics	MBA - I.T. / Computer Science	1,55,08,918	October 6, 2008	20	Cognizant Technology Solutions	Associate Consultant	June, 2007
61	Venkata Ramana Samudrala	56	Senior Vice President – Global Information Technology	B. Tech. - Electronics & Communications	1,38,41,058	January 8, 2015	32	Genpact India	Senior Vice President	February, 2000

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
62	Vijay Anand Guntur	52	Corporate Vice President - HNC Delivery, Engg. and R&D Services	M. Sc. (Computer Science), MBA - Finance	1,94,29,593	July 14, 1994	31	HCL Hewlett Packard Limited	Deputy Manager	June, 1989
63	Vijay Mallya	56	Executive Vice President - Applications & Systems Integration, Delivery	MBA - Finance	1,32,34,805	September 26, 2001	35	State Bank Of India	Associate Manager	May, 1985
64	Vikas Sharma	51	Senior Vice President - HR	MBA - Human Resource Management	1,31,61,974	July 1, 2013	26	HCL Comnet Limited	Associate Vice President - HR	July, 2010
65	Vikrant Dhawan	52	Vice President - Business Finance	L.L.B., B.Com	1,07,42,661	April 28, 2008	24	GlaxoSmithKline Consumer Health Care Limited	General Manager - Legal	January, 2007
66	Vineet Vedprakash Sood	53	Executive Vice President - Treasury	CWA	3,08,99,291	November 25, 2010	29	Tata Consultancy Services Limited	Treasurer	March, 2006
67	Vinutha M S Rao	47	Vice President - Digital & Analytics	B.E. / B. Tech - Electronics	1,13,86,865	March 11, 2002	22	Cybercash India Private Limited	Technical Lead	August, 1998
68	Vishwash Jaitly	42	Director - Infrastructure Division Europe	M. Sc. - I.T. / Computer Science	1,30,85,374	June 28, 2004	18	HSS (Pnolox Software Solutions Private Limited)	Software Engineer	February, 2004
69	Vivek Dhir	47	Vice President - Digital Process Outsourcing	CA	1,22,66,138	August 23, 2017	18	HSBC	Vice President	July, 2009

C. List of employees employed for part of the financial year and in receipt of remuneration more than Rupees Eight Lakhs and Fifty Thousand per month

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
1	Anand Subbu	53	Associate Vice President - Integration Services EMEA	B.E. / B. Tech. / B. Eng. (Hons.) - Electronics	62,10,094	March 23, 2009	26	Satyam Computer Services Limited	Manager	May, 2005
2	Anup Dutta	61	Corporate Vice President - Engg. & R&D Services	M. Tech. - Electrical	1,81,48,082	July 1, 1996	39	HCL Hewlett Packard Limited	Senior Manager	July, 1987
3	Bhavdeep Singh Sethi	42	Associate Vice President - Digital Process Outsourcing	MBA - I.T. / Computer Science	69,43,911	May 17, 2004	21	N.A.	N.A.	N.A.
4	Dinesh Kumar Agrawalla	47	Operations Director - Engg. & R&D Services	B.Sc. (Chemistry)	24,03,258	July 12, 1999	20	N.A.	N.A.	N.A.
5	Gaurav Khosla	50	Executive Vice President - Business Finance	CA	2,13,12,279	July 16, 2019	25	Hindustan Coca Cola Beverages Private Limited	SVP - Strategic Procurement	February, 2016

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
6	Mathew George	52	Executive Vice President - Central Support	CA - Auditor	25,28,605	May 2, 2013	26	Cognizant Technology Solutions US Corporation	Director Consulting	October, 2011
7	Nataraj Venkataraman	56	Associate Vice President - Digital and Analytics	MS - Instrumentation	28,74,982	January 11, 2012	31	Cognizant Technology Solutions India Private Limited	Principal Architect	October, 2009
8	Pramod Gupta	56	Associate Vice President - Risk and Compliance	B.E. / B. Tech. / B. Eng. (Hons.) - Electronics	24,65,649	November 2, 1998	32	TATA Consultancy Services Limited	Assistant System Analyst	December, 1991
9	Rajan Bedi	56	Associate Vice President - Engg. and R&D Services	MBA - Marketing Management	38,43,659	February 3, 2005	32	ITC Infotech India Limited	Head Presales US Region	February, 2004
10	Rajat Bhagat	45	Associate Vice President - Business Finance	CA	77,46,621	May 29, 2006	21	Ericsson India Private Limited	Manager Business	August, 2005
11	Rajeev Chopra	47	Associate Vice President - Infrastructure Division Europe	MBA - Marketing Management	66,12,160	January 19, 2004	24	Snom Technology India Private Limited	Solution Consultant	July, 2003
12	Rajesh Kumar	52	Senior Vice President - Campus Infrastructure Development	MBA - Business Administration	82,11,309	August 1, 2017	27	DLF Limited	Director - Technical	August, 2002
13	Rajneesh Rathi	45	Associate Vice President - Engg. & R&D Services	B.E. / B. Tech. (Hons.) - Electronics	85,53,206	August 21, 2014	23	Alcatel-Lucent India Limited	Director	July, 2003
14	Rakshit Ghura	40	Vice President - Infra-DIGI Work	B.E., PGDM	92,41,076	July 1, 2004	16	N.A.	N.A.	N.A.
15	Rohitkumar Chaturdas Patel	42	Deputy General Manager - Engg. and R&D Services	B.E.	1,92,13,230	December 5, 2018	18	Kenforce Inspired Technologies Private Limited	Dft. Manager	November, 2018
16	Sanjay Negi	48	General Manager - Applications & Systems Integration, Delivery	MBA - International Business	1,09,28,449	July 22, 2010	25	Oracle Financial Services Software Limited	Test Lead	October, 2005
17	Sanjeev Bhandari	49	Vice President - Procurement	B. Tech. - Mechanical	75,31,376	February 6, 2017	24	Accenture India Private Limited	VP Procurement	January, 2011
18	Santosh Kumar Raja	43	Associate Vice President - Engg. and R&D Services	MBA - Management	54,12,936	January 6, 2014	19	Cognizant Technology Solutions India Private Limited	Associate Director	May, 2000
19	Shyam Singh	43	Director - Infrastructure Division APMEA	MBA - Information Technology	44,17,696	March 1, 2000	22	Sarita Handa Exports Private Limited	Executive	October, 1998
20	Subramanian G	51	Associate Vice President - Digital Process Outsourcing	CA - Auditor	35,11,586	August 10, 2015	25	IBM India Private Limited	DGM Operations	March, 2006
21	Venkatesan Muthukumaraswami	62	Executive Vice President - Engg. and R&D Services	M.E. / M. Tech. - Electronics	90,56,451	September 30, 1998	37	Alstom	Area Manager	July, 1987
22	Vigneshwar Rao Kodavalla	47	Senior Vice President - Infrastructure Division US	B.E. / B. Tech. / B. Eng. (Hons.) - Civil	1,11,87,705	December 2, 2011	23	Wipro Technologies Limited	Delivery Head	May, 2010
23	Vineet Vij	53	Senior Vice President - Legal	B. Com - General	25,48,575	September 3, 2007	28	American Express India Private Limited	Service Delivery Leader (Head Comp. & Ind.)	January, 2007

D. List of employees in receipt of remuneration which, in aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by Mr. Shiv Nadar, Managing Director, during the financial year 2019-20

S. No.	Name	Age	Designation	Educational Qualification	Remuneration Received During The Year (₹)	Date Of Joining	Experience In Years	Previous Employment	Designation Held In Previous Appointment	Previous Employment Held Since
1	Prahlad Rai Bansal	63	Deputy Chief Financial Officer	CA	5,69,64,262	August 30, 2000	41	HCL America Inc.	Vice President	November, 1997

Notes applicable to tables A, B, C and D above:

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 employees listed above owns 2% or more of the paid-up equity share capital of the Company.
4. Mr. Prateek Aggarwal, apart from receiving remuneration from the Company, also received USD 0.08 million (equivalent to ₹0.59 crore) as remuneration from HCL America Inc., a wholly-owned step-down subsidiary of the Company.
5. The remuneration includes Long Term Incentive to the employees which was disbursed by the Company during the financial year 2019-20.
6. Particulars of employees posted and working in a country outside India not being directors or their relatives, drawing more than one crore and two lacs rupees per annum or eight lacs and fifty thousand rupees per month, as the case may be, have not been included in the above statement.

For and on behalf of the Board of Directors

SHIV NADAR
Chairman & Chief Strategy Officer

Place: New Delhi, India
Date: May 7, 2020

CORPORATE GOVERNANCE REPORT

Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over long 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 an 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 mind-set of the organization. The effectiveness of corporate governance in the company depends on regular review, preferably regular independent review.

The Company considers fair and transparent corporate governance as one of its most core management tenets. The Company has adopted a Code of Conduct for its directors, employees, consultants, vendors and customers and has also adopted a Code of Conduct to regulate, monitor and report trading by insiders and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. Some of the important best practices of corporate governance framework are timely and accurate disclosure of information regarding the financial position, performance, ownership and governance of the Company.

PHILOSOPHY ON CODE OF GOVERNANCE

The corporate governance philosophy of HCL Technologies Limited (the "Company") is based on the following principles:

- Follow the spirit and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company runs internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws of all the countries in which the Company operates.
- Management is the trustee of 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 workplace 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 its stakeholders.

BOARD OF DIRECTORS

The Board of Directors ("Board") determines the purpose and values

of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through its strategic supervision of the Company and its subsidiaries.

The Company is headed by a 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 the Company's governance practices, through which it strives to maintain an active, informed and independent Board. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. It identifies 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 the Company's corporate governance practices and oversees how the management serves and protects the long term interests of all the stakeholders. The Company believes that an active, well informed and independent Board is necessary to achieve 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, 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, conduct etc.

As on March 31, 2020, the Board of Directors of the Company consists of twelve members, of which three are Women Directors. The Board consists of one Managing Director and eleven Non-Executive Directors of which nine are Independent Directors. The Managing Director is the Promoter Director which is designated as the Chairman & Chief Strategy Officer of the Company.

Appointment(s) / Re-appointment(s)

The following Directors were appointed / re-appointed during the financial year under review –

Appointments -

1. Dr. Mohan Chellappa (DIN - 06657830) was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019 and has been recommended for appointment as a Non-Executive Independent Director in the ensuing AGM of the Company to be held in the year 2020, for a period of five consecutive years.
2. Mr. Shikhar Neelkamal Malhotra (DIN - 00779720) was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019 and has been recommended for appointment as a Non-Executive Non-Independent Director in the ensuing AGM of the Company to be held in the year 2020, liable to retire by rotation.

3. Mr. Simon John England (DIN - 08664595) was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020 and has been recommended for appointment as a Non-Executive Independent Director in the ensuing AGM of the Company to be held in the year 2020, for a period of five consecutive years.

Re-appointments -

4. Mr. R. Srinivasan, Ms. Robin Ann Abrams, Dr. Sosale Shankara Sastry and Mr. S. Madhavan were re-appointed as Independent Directors of the Company by way of special resolution for a second term of five consecutive years at the Twenty-Seventh AGM of the Company held on August 6, 2019.
5. Mr. Thomas Sieber was appointed as an Independent Director of the Company at the Twenty-Third AGM of the Company held on December 22, 2015, for a period of five consecutive years. His first term of appointment shall end at the conclusion of the ensuing AGM of the Company to be held in the year 2020. Considering his immense contribution towards the Company and pursuant to the recommendation of the Nomination and Remuneration Committee,

the Board in its meeting held on May 6-7, 2020 recommended to the shareholders of the Company, the re-appointment of Mr. Thomas Sieber as Independent Director for a second term of five consecutive years.

Cessation(s) -

1. Mr. Sudhindar Krishan Khanna (DIN - 01529178), a Non-Executive Non-Independent Director of the Company, resigned from the Board of the Company w.e.f. April 8, 2019 due to health reasons. There are no material reasons for his resignation, other than those stated herein.
2. Mr. James Philip Adamczyk (DIN - 08151025), a Non-Executive Independent Director of the Company, ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise.

The Board placed on record its sincere appreciation and gratitude for the valuable services, guidance and contribution of Mr. Sudhindar Krishan Khanna and Mr. James Philip Adamczyk to the Company during their tenure as a member of the Board / its Committees.

Composition of the Board and number of Directorship(s) and Committee Membership(s) / Chairmanship(s) held as on March 31, 2020 in the Company and in other entities is as follows:

The Board placed on record its sincere appreciation and gratitude for the valuable services, guidance and contribution of Mr. Sudhindar Krishan Khanna and Mr. James Philip Adamczyk to the Company during their tenure as a member of the Board / its Committees.

Name of Director and DIN	Position in the Company	No. of Directorships in Public Limited Companies (including HCL Technologies Limited)	No. of Committee memberships in Public Limited Companies ⁽¹⁾ (including HCL Technologies Limited)	No. of Committee Chairmanships in Public Limited Companies ⁽¹⁾ (including HCL Technologies Limited)	No. of shares held of HCL Technologies Limited (of ₹2 each)	Other Listed Companies where the Director is appointed as a Non-Executive - Independent Director
Mr. Shiv Nadar ⁽²⁾ (DIN - 00015850)	Chairman & Chief Strategy Officer	1	1	-	736	-
Mr. Deepak Kapoor (DIN - 00162957)	Non-Executive Independent Director	4	5	1	Nil	1. TATA Steel Limited
Mr. S. Madhavan ⁽³⁾ (DIN - 06451889)	Non-Executive Independent Director	6	7	4	5,000	1. UFO Moviez India Limited 2. GlaxoSmithKline Consumer Healthcare Limited 3. Transport Corporation of India Limited 4. ICICI Bank Limited
Dr. Mohan Chellappa ⁽⁴⁾ (DIN - 06657830)	Non-Executive Independent Director	1	-	-	Nil	-
Ms. Nishi Vasudeva (DIN - 03016991)	Non-Executive Independent Director	6	8	2	Nil	1. L&T Infra Debt Fund Limited 2. L&T Finance Holdings Limited 3. ABB Power Products and Systems India Limited
Ms. Robin Ann Abrams (DIN - 00030840)	Non-Executive Independent Director	1	1	-	Nil	-
Ms. Roshni Nadar Malhotra ⁽²⁾ (DIN - 02346621)	Non-Executive Non-Independent Director	2	1	-	696	1. HDFC Asset Management Company Limited
Dr. Sosale Shankara Sastry (DIN - 05331243)	Non-Executive Independent Director	1	-	-	Nil	-
Mr. Shikhar Neelkamal Malhotra ^{(2), (5)} (DIN - 00779720)	Non-Executive Non-Independent Director	1	-	-	Nil	-

Name of Director and DIN	Position in the Company	No. of Directorships in Public Limited Companies (including HCL Technologies Limited)	No. of Committee memberships in Public Limited Companies ⁽¹⁾ (including HCL Technologies Limited)	No. of Committee Chairmanships in Public Limited Companies ⁽¹⁾ (including HCL Technologies Limited)	No. of shares held of HCL Technologies Limited (of ₹2 each)	Other Listed Companies where the Director is appointed as a Non-Executive - Independent Director
Mr. R. Srinivasan (DIN - 00575854)	Non-Executive Independent Director	2	-	-	Nil	-
Mr. Simon John England ⁽⁶⁾ (DIN - 08664595)	Non-Executive Independent Director	1	-	-	Nil	-
Mr. Thomas Sieber (DIN - 07311191)	Non-Executive Independent Director	1	-	-	Nil	-

Notes:

- (1) In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.
- (2) Mr. Shiv Nadar and Ms. Roshni Nadar Malhotra are related as Father and Daughter. Further, Mr. Shikhar Neelkamal Malhotra and Ms. Roshni Nadar Malhotra are related as Husband and Wife. Pursuant to this relationship, Mr. Shiv Nadar and Mr. Shikhar Neelkamal Malhotra are also related to each other as Father-In-Law and Son-In-Law. Except this, no other Director is related to any other Director on the Board.
- (3) Mr. S. Madhavan ceased to be the Director of GlaxoSmithKline Consumer Healthcare Limited accordingly, ceased to be the Chairman of the Audit Committee w.e.f April 1, 2020.
- (4) Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019.
- (5) Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f October 22, 2019.
- (6) Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020.

BRIEF PROFILE OF THE BOARD MEMBERS:

Mr. Shiv Nadar

Mr. Shiv Nadar, aged 75 years, is the Founder & Chairman of HCL Technologies Limited and Shiv Nadar Foundation. An Electrical Engineer from Coimbatore in South India, he established HCL as a start-up 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, the AIMA Managing India Corporate Citizen Award, the ICSI Lifetime Achievement Award 2013 for excellence in Corporate Governance and the Golden Peacock Award for Social Leadership in 2014. He has been named as the Philanthropist of the Year by The Economic Times Family Business Awards in 2018 and as the Outstanding Philanthropist of the Year in 2015 by Forbes. Mr. Nadar was also featured as the most generous Indian by the Hurun India Philanthropy List 2016. Determined to give back to the society, Mr. Nadar has been quietly supporting several 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 has also established Vidya Gyan schools in Uttar Pradesh that provide free, world-class education to rural toppers from economically disadvantaged backgrounds, and the Shiv Nadar Schools, the iconic Kiran Nadar Museum of Art and Shiksha, an innovative technology-led intervention in education envisioned to eradicate illiteracy from India. Mr. Nadar has also diversified into healthcare business which provides innovative medical services, products and training to meet the growing demand for quality healthcare, and offers integrated care across India.

Mr. Deepak Kapoor

Mr. Deepak Kapoor, aged 61 years, is the former Chairman & CEO of PwC India. He took retirement from PwC in March 2017 after having

been associated with it for 39 years. During his illustrious career with PwC, he served in various leadership and client service roles in India and overseas. He was also a member of the PwC Global Strategy Council, led the Deals practice for PwC India and was also the leader of Telecom, Entertainment and Media practice. He has extensive experience / expertise in areas relating to financial reporting, audit, mergers and acquisitions, crisis management and corporate advisory work. His experience in India and overseas encompasses multiple sectors including Consumer products, Manufacturing, Telecom, Technology, Healthcare, Entertainment and Media. He is a Fellow member of the Institute of Chartered Accountants of India, a Fellow member of the Institute of Company Secretaries of India and a member of the Certified Fraud Examiners, USA.

Mr. S. Madhavan

Mr. S Madhavan, aged 63 years, is a fellow member of the Institute of Chartered Accountants of India and also holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad. He was a Senior Partner and Executive Director in PricewaterhouseCoopers for many years. He held several positions in that organization, ranging from indirect taxes to client delivery and leadership development. Mr. Madhavan started his career in Hindustan Unilever Limited, India's largest multinational, where he spent several years in 1980s. 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. Madhavan is on the board of several other listed companies such as ICICI Bank, UFO Moviez Limited and Transport Corporation of India Limited and is a chairman /member of various board committees.

Dr. Mohan Chellappa

Dr. Mohan Chellappa, aged 72 years, currently the President, Global Ventures, of Johns Hopkins Medicine International (JHMI). A founding member of JHMI, he is involved in the development of international clinical consultancy activities and clinical care programs, implementation of quality systems, and utilization of IT in healthcare. Dr. Chellappa has been instrumental in securing and establishing several engagements of Johns Hopkins

Medicine globally, including the establishment of Johns Hopkins Aramco Healthcare, a joint venture with Aramco, the world's largest energy company. He also serves on the boards of HCL Healthcare and Johns Hopkins Aramco Healthcare. He has a special interest in the effectiveness of corporate boards and completed a program in that area at Harvard Business School. A surgeon by profession, Dr. Chellappa is a Fellow of the Royal College of Surgeons of Edinburgh and Fellow of the American College of Surgeons. Dr. Chellappa, who holds a business degree, has wide surgical experience, having worked in countries such as India, Malaysia, Singapore, the UK, and the USA. He underwent special training in Surgical Gastroenterology at the University of Leeds and Hammersmith Hospital in 1982 and in liver and kidney transplantation at the University of Louvain in Brussels in 1986. He is an avid follower of technology and has been part of the Artificial Intelligence Consortium for Healthcare in Gulf Council country.

Ms. Nishi Vasudeva

Ms. Nishi Vasudeva, aged 64 years, is the first woman to chair an Oil & Gas company in India, and has extensive management and advisory experience. She is an MBA from the Indian Institute of Management, Calcutta, India and B.A. (Economics) from Lady Shri Ram College, University of Delhi, India. She has expertise in the areas like Corporate Strategy, Enterprise Resource Management, Retail & Marketing, Information Systems, Business Transformation & Margin Management and Regulatory Management. She is well known for her courage and dedication to making a difference, both at a company level and in the lives of employees and customers. Her awards and accomplishments include the prestigious Global 'CEO of the Year' award by Platts Global Energy Awards 2015, Award for 'Excellence & Outstanding contribution to Public Sector Management' under the Individual Leadership category by the Standing Committee on Public Sector Enterprises (SCOPE), Government of India, for the year 2013-14, 'Exceptional Woman Achiever Award' from the Federation of Indian Chambers of Commerce and Industry in 2014. She has also been ranked one of the top five 'Most Powerful Women in Asia Pacific' by FORTUNE magazine in the year 2014.

Ms. Robin Ann Abrams

Ms. Robin Ann Abrams, aged 69 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 Computer including Vice President and General Manager of the Americas where 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 served on several U.S. public company Boards, the Anita Borg Institute Board and several academic advisory committees.

Ms. Roshni Nadar Malhotra

Ms. Roshni Nadar Malhotra, aged 38 years, is the CEO and Executive Director of HCL Corporation Private Limited. 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 a Trustee of the Shiv Nadar Foundation, which is committed to the process of nation building by driving transformational leadership through education. Ms. Roshni is also the Founder & Trustee of the Habitats Trust, a foundation working towards protecting habitats and their indigenous species. Passionate about wildlife and nature, Ms. Roshni founded the Trust with the mission of creating and conserving sustainable ecosystems through strategic partnerships and collaborations with all stakeholders at every level.

Ms. Roshni is the driving force behind the VidyaGyan schools in

Uttar Pradesh, a radical initiative of the Shiv Nadar Foundation to induct and transform meritorious rural children from economically underprivileged backgrounds and create leaders of tomorrow. Under her leadership, VidyaGyan has started showing excellence in various fields, creating spirals of inspiration and delivering on the promise of creating catalytic leaders from rural India. 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 part of the Forum of Young Global Leaders (YGL), a unique and diverse community of the world's most outstanding, next-generation leaders, an initiative of the World Economic Forum. She was conferred the prestigious NDTV Young Philanthropist - Indian of the Year award in 2014. In 2015, she was felicitated with the World's Most Innovative People Award for Philanthropic Innovation by the World Summit on Innovation & Entrepreneurship (WSIE), in partnership with the UN. In 2017, she was conferred with Lewis Institute Community Changemaker Award by Babson College. In September 2017, Vogue India felicitated her with the 'Philanthropist of the Year' award. She has been featured in the World's 100 Most Powerful Women list compiled and released by Forbes in 2017 and 2018. Ms. Roshni holds an MBA degree 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.

Dr. Sosale Shankara Sastry

Dr. Sosale Shankara Sastry, aged 64 years, is currently Professor of EECS, Mechanical and Bio-Engineering. He was the Dean at University of California, Berkeley till 2018. 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, non-linear 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 500 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. He has honorary doctorates from the Royal Institute of Technology, Stockholm, Sweden, University of Waterloo, Canada and Politecnico di Torino in Italy.

Mr. Shikhar Neelkamal Malhotra

Mr. Shikhar Neelkamal Malhotra, aged 37 years, is an alumnus of Babson College where he studied Entrepreneurship. He is an Executive Director and Board Member of HCL Corporation Private Limited. Mr. Malhotra is also the Vice Chairman of HCL Healthcare Private Limited and has led the organization since its inception in 2014. HCL Healthcare focuses on making Corporate India a healthier place by providing the continuum of care for chronic and acute diseases across a range of healthcare delivery offerings. It operates out of seven cities across India and serves over 70,000 families. As a Trustee of the Shiv Nadar Foundation, Mr. Malhotra founded the Shiv Nadar Schools in 2012, the Foundation's first foray into urban education. The Shiv Nadar Schools currently operate out of three campuses located in Noida, Gurugram and Faridabad. In a short period of time, the Shiv Nadar School has gained a reputation for its differentiated curriculum which focuses on academic excellence as well as an emphasis on holistic development making it among the most sought-after schools in Delhi NCR. Mr. Malhotra is the Pro Chancellor of Shiv Nadar University and in this role, is instrumental in providing strategic vision and global outlook to the University and is the trustee of The Habitats Trust, which aims to secure key natural habitats and their indigenous species.

Mr. R. Srinivasan

Mr. R. Srinivasan, aged 73 years, has an Electrical Engineering Degree from Madras University and MBA Degree from the IIM, Ahmedabad. He is the Founder of Redington (India) Limited, a Technology Products Supply Chain Solution Company operating in India, Middle East, Africa & Turkey, Sri Lanka, Bangladesh and CIS countries. He has served as the Managing Director from July 2006 to October 2014 and as the Non- Executive Vice Chairman from October 2014 to February 2017 of Redington (India) Limited. 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. He has over 30 years of management experience across the globe. He has been awarded the “Entrepreneur Award 2007” by CII, Tamil Nadu and “Outstanding contribution to the IT Channel Industry” by CRN in 2007.

Mr. Simon John England

Mr. Simon John England, aged 54 years, has a degree in Engineering from the University of Durham and has over 30 years of experience of leading, transforming and growing organisations across the public and private sector. He has spent much of his career working with UK and Global Insurers, Healthcare providers and with the UK Government. He is a partner in the specialist advisory firm, Garwood Solutions, where he provides independent strategic and business advice to clients in the Professional Services, Financial Services, Health and Technology sectors. He spent 27 years with Accenture and led several of Accenture’s largest businesses and global client relationships, including Managing Director of Accenture’s UK and Ireland Insurance business and, prior to that, the UK Healthcare business. He was Managing Director of Primary Care Support England (PCSE) for Capita where he led the recovery and turnaround of this large, complex and high

profile outsourced operation for NHS England. He is accomplished in applying technology to achieve business results - creating digital operations, shaping, planning and leading operational transformation and performance improvement programmes and technology enabled business change at scale, and is experienced in leading on and offshore outsourced operations. He is an expert in complex stakeholder and commercial management, and organisation turnaround. He is involved in the UK Arts sector and led Accenture’s relationship with the Bright Ideas Trust – helping nurture new entrepreneurs from disadvantaged communities. He also worked closely with Whizz-Kidz – an energetic charity that is transforming the delivery and management of wheelchair services, with the NHS, for children across many parts of the UK.

Mr. Thomas Sieber

Mr. Thomas Sieber, aged 58 years, has a Business Administration degree from the University of St. Gallen, Switzerland. He is serving as the Chairman of Axpo Holding AG which is the largest national Energy provider in Switzerland. He is also a member of Board of Directors at Sierra Wireless, the Global leader in IoT (“Internet of Things”) and at IT-services provider, Garaio AG. Formerly, he was the CEO of Orange Switzerland (now Salt Mobile SA) and later on became the Chairman of the Board of Directors. He has an expertise in Leadership, Strategic and International Business Management.

SUMMARY OF DIRECTORS’ SKILLS / EXPERTISE

In order to effectively discharge its duties, it is necessary that collectively the Directors hold the appropriate balance of skills, experience and expertise. The Board seeks a complementary diversity of skills and experience across its members, ensuring that the Board is in compliance with the highest standards of corporate governance.

The Board’s current Skills Matrix as identified by the Board includes the following attributes:

	Mr. Shiv Nadar	Mr. Deepak Kapoor	Mr. S. Madhavan	Dr. Mohan Chellappa	Ms. Nishi Vasudeva	Ms. Robin Ann Abrams	Ms. Roshni Nadar Malhotra	Dr. Sosale Shankara Sastry	Mr. Shikhar Neelkamal Malhotra	Mr. R. Srinivasan	Mr. Simon John England	Mr. Thomas Sieber
Leadership Innate leadership skills including the ability to represent the organization and set appropriate Board and organization culture. Demonstrated strengths in talent development, succession planning and bringing change and long term future growth.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Strategic Planning and Analysis Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organizations’ relevant policies and priorities.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Technology Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies.	Y	-	-	Y	Y	Y	Y	Y	Y	Y	Y	-

	Mr. Shiv Nadar	Mr. Deepak Kapoor	Mr. S. Madhavan	Dr. Mohan Chellappa	Ms. Nishi Vasudeva	Ms. Robin Ann Abrams	Ms. Roshni Nadar Malhotra	Dr. Sosale Shankara Sastry	Mr. Shikhar Neelkamal Malhotra	Mr. R. Srinivasan	Mr. Simon John England	Mr. Thomas Sieber
Governance Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong Board base and management accountability, transparency, and protection of shareholder interests.	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	-
Financial Wide ranging knowledge and financial skills, oversight for risk management and internal controls and proficiency in financial management and financial reporting processes.	Y	Y	Y	-	Y	Y	Y	-	Y	Y	Y	-
Diversity An appropriate mix of varied cultures, ethnicity, geography, gender, age, philosophies, life experiences and other diversity perspectives that expand the Board's understanding of the needs of diverse stakeholders and a better ability to respond to changes.	Y	-	-	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mergers & Acquisitions Significant experience in mergers and acquisitions and other business combinations, with strong insight of risks and opportunities, valuations and diligence processes, structural impact on the organization, and ability to leverage integration planning.	Y	Y	-	Y	Y	Y	Y	Y	Y	Y	-	-
Global Business Understanding of diversified business environments, economic, political, cultural and regulatory framework across the globe, and a broad perspective on global market opportunities.	Y	-	Y	Y	-	Y	Y	Y	Y	Y	Y	Y
Marketing and Communications Ability to analyze the market and technological impacts, developing strategies for brand awareness and brand building and enhancing market share.	Y	-	-	Y	Y	Y	Y	-	Y	Y	Y	-

MEMBERSHIP ON OTHER BOARDS

Executive Director is also allowed to serve on the board / committee of other corporate(s) or government bodies whose interest is germane to the future of software business or on the board of key economic institutions of the nation or whose primary objective is benefiting the 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' RESPONSIBILITIES

a) In addition to the duties and responsibilities entrusted on the Directors of the Company as per the provisions of the Companies Act, 2013 ("Act"), it is the elementary responsibility of the Board members to oversee the management of the Company and in doing so, serve the best interests of the Company and its stakeholders. This responsibility *inter-alia* shall include:

- Reviewing and approving fundamental operating, financial and other corporate plans, strategies and objectives.

- Evaluating whether the corporate resources are being used only for appropriate business purposes.
 - Establishing a corporate environment that promotes timely and effective disclosure (including robust and appropriate controls, procedures and incentives), fiscal responsibility, 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.
 - Attending 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 condition of the Company and the significant subsidiaries and business segments.
- d) 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 policies.
 - Material litigation, 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 this 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 circulation. The Company effectively uses tele-conferencing / video-conferencing facilities to enable the participation of Directors who could not attend the meetings due to some emergencies.

Board Meeting - Location: The location of the Board meetings is 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 can 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 communicate with the 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 and/or Committees to have a full understanding of the 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 as well as on 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 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 meetings are promptly communicated to the concerned departments / divisions. Action taken report on the decisions of the previous meeting(s) is placed at the subsequent meetings of the Board / Committee(s) for information and review by the Board / Committee(s).

NUMBER OF BOARD MEETINGS AND THE DATES ON WHICH THEY WERE HELD

Five Board Meetings were held during the financial year ended March 31, 2020. These were held on May 7-9, 2019, August 6-7, 2019, September 4, 2019, October 22-23, 2019 and January 16-17, 2020. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days.

The following table gives the attendance record of the Board Meetings and the last AGM:

Name of the Director	No. of board meetings held during tenure	No. of board meetings attended	Whether last AGM attended
Mr. Shiv Nadar	5	5	Yes
Mr. Deepak Kapoor	5	4	Yes
Mr. James Philip Adamczyk ⁽¹⁾	3	2 ⁽⁶⁾	No
Mr. S. Madhavan	5	5	Yes
Dr. Mohan Chellappa ⁽²⁾	4	4 ⁽⁶⁾	NA

Name of the Director	No. of board meetings held during tenure	No. of board meetings attended	Whether last AGM attended
Ms. Nishi Vasudeva	5	5	Yes
Ms. Robin Ann Abrams	5	5 ^[6]	Yes
Ms. Roshni Nadar Malhotra	5	5	Yes
Dr. Sosale Shankara Sastry	5	5 ^[6]	No
Mr. Shikhar Neelkamal Malhotra ^[3]	2	2	NA
Mr. R. Srinivasan	5	5 ^[6]	Yes
Mr. Simon John England ^[4]	1	1	NA
Mr. Sudhindar Krishan Khanna ^[5]	0	NA	NA
Mr. Thomas Sieber	5	4 ^[6]	Yes

Notes:

- (1) *Mr. James Philip Adamczyk ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise.*
- (2) *Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019.*
- (3) *Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019.*
- (4) *Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020.*
- (5) *Mr. Sudhindar Krishan Khanna resigned as a Director of the Company w.e.f. April 8, 2019.*
- (6) *Mr. James Philip Adamczyk, Dr. Mohan Chellappa, Ms. Robin Abrams, Dr. Sosale Shankara Sastry, Mr. R. Srinivasan and Mr. Thomas Sieber attended one meeting each through teleconference call.*

DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 ("Act") and Regulation 16(1)(b) & 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ("Listing Regulations"). The Company has received necessary declarations from each Independent Director that he/she meets the criteria of Independence in terms of the said provisions.

Based on the disclosures received from all Independent Directors and also in the opinion of the Board, the Independent Directors fulfill the conditions as specified in the Act and the Listing Regulations and are independent of the Management.

INDEPENDENT DIRECTORS' MEETINGS

In terms of the provisions of the Act and the Listing Regulations, the Independent Directors of the Company shall meet at least once in a year, without the presence of Executive Directors and members of management. The Independent Directors met on January 17, 2020 and inter-alia discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non- Executive Directors; and

- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Directors are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Quarterly updates on relevant statutory changes are provided to the Directors in the Board meetings.

Upon appointment, the Directors are issued a letter of appointment setting out in detail the terms of employment including their roles, function, responsibilities and their fiduciary duties as a Director of the Company.

The details of such familiarization programme for Independent Directors are posted on the website of the Company and are available at <https://www.hcltech.com/investors/governance-policies>.

BOARD EVALUATION

The Board of Directors, pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations has carried out an Annual Evaluation of its own performance, performance of the Board Committees and of the individual Directors (including the Independent Directors and the Chairperson) on various parameters.

The criteria for the evaluation of the performance of the Board, the Committees of the Board and the individual Directors, including the Chairman of the Board was approved by the Nomination and Remuneration Committee (NRC) of the Company.

The performance of the Board as a whole was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Board Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc.

The performance of the individual Directors was reviewed by the Board on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman of the Board was also evaluated on the key aspects of his role.

In a separate meeting of the Independent Directors, the performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Board was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and the individual Directors was discussed.

BOARD DIVERSITY

The Company recognizes its obligation to maintain a Board with a diversity of Directors. The Company considers that the concept of diversity incorporates a number of different aspects, such as professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service.

The Company believes that Board diversity enhances decision making capability and a diverse Board is more effective in dealing with organizational changes and less likely to suffer from group thinking.

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 their clearly defined roles. The Board supervises the execution of its responsibilities by the committees and is responsible for their action.

As on March 31, 2020, the Company had seven Board Committees viz. Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Finance Committee, Stakeholders' Relationship Committee, Risk Management Committee and Diversity Committee.

In addition to the above, during the year under review, the Company also had in place, an Employees' Stock Option Allotment Committee, to allot shares to the employees who had exercised their stock options under the Stock Option Plans of the Company. However, since the last of the Stock Option Plans of the Company ("2004 Stock Option Plan") terminated in December 2019, the said committee is redundant as on the close of the financial year.

Also, during the year under review, a "Bonus Issue Committee" was formed by the Board of Directors of the Company in its meeting held on October 22-23, 2019, to consider and approve the various operational matters in regard to the issuance and allotment of bonus shares to the shareholders of the Company. The Committee ceased to exist post the completion of bonus issue.

Keeping in view the requirements of the Act as well as the Listing Regulations, the Board has decided the terms of reference of the 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.

All the recommendations made by the various Board Committees during the financial year ended March 31, 2020 were accepted by the Board.

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 the management determine the frequency and length of the meetings 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 AS ON MARCH 31, 2020:

S. No.	Director	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Risk Management Committee	Diversity Committee
Executive Directors								
1	Mr. Shiv Nadar ⁽¹⁾	NA	Member	Member	Member	Member	NA	Member
Non-Independent Non-Executive Directors								
2	Ms. Roshni Nadar Malhotra	NA	Member	Member	Chairperson	Member	NA	Member
3	Mr. Shikhar Neelkamal Malhotra ⁽¹⁾	NA	NA	NA	NA	NA	NA	NA
Independent Non-Executive Directors								
4	Mr. Deepak Kapoor	Member	NA	NA	NA	NA	Member	NA
5	Mr. S. Madhavan	Chairman	N.A.	Chairman	Member	Chairman	Chairman	NA
6	Dr. Mohan Chellappa ⁽²⁾	NA	NA	NA	NA	NA	NA	NA
7	Ms. Nishi Vasudeva	Member	NA	NA	NA	NA	Member	NA
8	Ms. Robin Ann Abrams	Member	Member	NA	NA	NA	Member	Chairperson
9	Dr. Sosale Shankara Sastry	NA	NA	NA	NA	NA	NA	NA
10	Mr. R. Srinivasan	NA	Chairman	NA	NA	Member	NA	NA
11	Mr. Simon John England ⁽³⁾	NA	NA	NA	NA	NA	NA	NA
12	Mr. Thomas Sieber	NA	NA	NA	NA	Member ⁽⁴⁾	NA	NA

Notes:

* The Employee Stock Option Allotment Committee of the Company became redundant as on March 31, 2020 since the last of the Stock Option Plans of the Company terminated in December 2019.

(1) Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019. Further, Mr. Shikhar Neelkamal Malhotra was co-opted as a member of the Nomination and Remuneration Committee and Mr. Shiv Nadar ceased to be a member of the Nomination and Remuneration Committee w.e.f. May 6, 2020. Also, Mr. Shikhar Neelkamal Malhotra was co-opted as a member of the Finance Committee w.e.f. May 6, 2020.

(2) Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019.

(3) Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020.

(4) Mr. Thomas Sieber was co-opted as the member of the Finance Committee w.e.f. September 4, 2019.

1. Audit Committee

As on March 31, 2020, the Audit Committee comprised of four Independent Directors namely:

- a) Mr. S. Madhavan (Chairman)
- b) Mr. Deepak Kapoor
- c) Ms. Nishi Vasudeva
- d) Ms. Robin Ann Abrams

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference

The terms of reference of 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, including filing 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 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 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 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 examination 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 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 Directors' Responsibility Statement to be included in the Board's Report in terms of 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; and
- 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 Financial Statements

Reviewing with the management, the quarterly / interim financial statements before submission to the Board for approval.

h) 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;
- 11) Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time; and
- 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.

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 auditor and the senior internal auditor to the extent deemed appropriate by the Chairman of the 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 / Whistleblower Policy appropriate to the size, complexity and geographic spread of the Company and its operations

The Vigil mechanism / Whistleblower Policy 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 Committee once a quarter or more frequently. The mechanism and policy shall cover whistleblower and complaint references of all kinds, including alleged fraud by or against the Company, abuse of authority, misbehavior and 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 Ombudsperson Function or the Whistleblower 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 Committee have a conflict of interest in a given case, they should recuse themselves and the others on the 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 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 Committee shall approve the appointment of the 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.

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 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 related party transaction 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;

6) Inter-corporate loans and investments including review of utilization of loans and/or advances from / investment by the Company in any of its subsidiary exceeding the prescribed limit of the asset size of the subsidiary as provided in SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015;

7) Valuation of undertakings and assets of the Company whenever necessary; and

8) Internal control system in regard to prevention of insider trading.

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 justification for the selection of the related party and the price and other terms agreed.
- 4) 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 arms' length principle, with suitable explanations for any departures, the Committee shall periodically approve the related party transactions.

Explanation:

- a) *"Related Party Transaction" means a transaction envisaged as a related party transaction defined under the Companies Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 (including any amendments thereof).*
- b) *"Related Party" means a related party as defined under the Companies Act, 2013, rules made thereunder and under applicable accounting standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).*

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 Committee or any matter in which they are invited by the 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 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 Committee and the Committee shall send its reply or observations to the Board and such matters shall be reported to the Board by the 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 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 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 the 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 financial year under review. These were held on April 22, 2019, May 9, 2019, July 11, 2019, August 7, 2019, September 27, 2019, October 23, 2019, January 16-17, 2020 and February 3, 2020. The necessary quorum was present for all the meetings.

Attendance details of each member at the Audit Committee meetings held during the financial year ended March 31, 2020 are as follows:

Name of the Committee Member	Position	Number of meetings held during tenure	Number of meetings attended
Mr. S. Madhavan	Chairman	8	8
Mr. Deepak Kapoor	Member	8	7
Ms. Nishi Vasudeva	Member	8	8
Ms. Robin Ann Abrams	Member	8	8 ⁽¹⁾

(1) Ms. Robin Abrams attended four meetings through teleconference call.

Further, during the year under review, one meeting of the Audit Committee was held via teleconference call on July 5, 2019 and the decision was taken through resolution by circulation.

2. Corporate Social Responsibility Committee

As on March 31, 2020, the Corporate Social Responsibility ('CSR') Committee comprised of three members including one Independent Director namely:

- a) Ms. Roshni Nadar Malhotra (Chairperson)
- b) Mr. Shiv Nadar
- c) Mr. S. 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.

During the financial year ended March 31, 2020, the CSR Committee met three times on April 19, 2019, May 9, 2019 and September 26, 2019. The necessary quorum was present for all the meetings.

3. Nomination and Remuneration Committee

As on March 31, 2020, the Nomination and Remuneration Committee ('NRC') comprised of four members, with two of its members as Independent Directors, namely:

- a) Mr. R. Srinivasan (Chairman)
- b) Mr. Shiv Nadar
- c) Ms. Robin Ann Abrams
- d) Ms. Roshni Nadar Malhotra

Note: Mr. Shikhar Neelkamal Malhotra was co-opted as a member of the Nomination and Remuneration Committee and Mr. Shiv Nadar ceased to be a member of the Nomination and Remuneration Committee w.e.f. May 6, 2020.

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) Review of criteria to carry out the performance evaluation of the Board as a whole and individual Directors.
- 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) Devise 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 financial year ended March 31, 2020, the NRC met four times on May 7, 2019, August 6, 2019, October 21, 2019 and January 16, 2020. The necessary quorum was present for all the meetings.

Attendance details of each member at NRC, during the year ended March 31, 2020 are as follows:

Name of the Committee Member	Position	Number of Meetings held during tenure	Number of Meetings attended
Mr. R. Srinivasan	Chairman	4	4
Mr. Shiv Nadar	Member	4	4
Ms. Robin Ann Abrams	Member	4	4
Ms. Roshni Nadar Malhotra	Member	4	4

Further, during the year under review, one meeting of the NRC was held via teleconference call on June 24, 2019 and the decisions were taken through resolution by circulation.

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 a review of achievements

on a regular basis and is in consonance with 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 Director is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board the same is put up for shareholders' approval. Executive Director do not receive any sitting fees for attending the Board and Committee meetings.

During the year, the Board comprised of one Executive Director viz. Mr. Shiv Nadar. 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 March 31, 2020 from the Company / subsidiaries is as under:

Particulars	₹ in crore
Salary	-
Perquisites	1.07
Others:	
-Medical	0.02
-Gratuity	-
-Misc. reimbursement	0.01
Contribution to Provident Fund	-
Total	1.10

In addition, Mr. Shiv Nadar received salary and perquisites amounting to USD 0.51 million (equivalent to ₹3.63 crore) from HCL America Inc., a wholly-owned step-down subsidiary of the Company. The overall compensation is in accordance with the approval given by the shareholders of the Company.

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 also paid 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 March 31, 2020 are as under:

Name of the Director	Sitting Fees for the FY 2019-20 (₹ in crore)	Commission for the FY 2019-20 (₹ in crore)
Mr. Deepak Kapoor	0.02	0.62
Mr. James Philip Adamczyk ⁽¹⁾	0.00	0.45
Mr. S. Madhavan	0.03	0.80
Dr. Mohan Chellappa ⁽²⁾	0.00	0.70
Ms. Nishi Vasudeva	0.03	0.62

Name of the Director	Sitting Fees for the FY 2019-20 (₹ in crore)	Commission for the FY 2019-20 (₹ in crore)
Ms. Robin Ann Abrams	0.02	1.27
Ms. Roshni Nadar Malhotra	0.01	0.75
Dr. Sosale Shankara Sastry	0.01	1.02
Mr. Shikhar Neelkamal Malhotra ⁽³⁾	0.00	0.22
Mr. R. Srinivasan	0.01	1.20
Mr. Simon John England ⁽⁴⁾	0.00	0.22
Mr. Sudhindar Krishan Khanna ⁽⁵⁾	-	-
Mr. Thomas Sieber	0.01	0.99

Notes:

- (1) Mr. James Philip Adamczyk ceased to be the Director of the Company w.e.f. October 9, 2019 due to his demise.
- (2) Dr. Mohan Chellappa was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. August 6, 2019.
- (3) Mr. Shikhar Neelkamal Malhotra was appointed as an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f. October 22, 2019.
- (4) Mr. Simon John England was appointed as an Additional Director in the capacity of Non-Executive Independent Director w.e.f. January 16, 2020.
- (5) Mr. Sudhindar Krishan Khanna resigned as a Director of the Company w.e.f. April 8, 2019.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

The Remuneration Policy is provided herewith pursuant to Section 178(4) of the Act and Regulation 19 of the Listing Regulations.

Remuneration Policy for Directors, Key Managerial Personnel and other employees

I. Scope of the Policy

The Remuneration Policy (“Policy”) applies to the Directors and Key Managerial Personnel of the Company and other employees of the Company and its subsidiaries.

II. Background

A transparent, fair and reasonable process for determining the appropriate remuneration at all career levels and roles as prevalent in the Company is required to ensure that the shareholders remain informed and confident about the management of the Company.

III. Objective

The objectives of this Policy are:

- a) To create a transparent system of determining the appropriate level of remuneration throughout all career levels and roles of the Company.
- b) Motivate the Directors, Key Managerial Personnel and other employees, to perform to their maximum potential.
- c) To reward performance and meritocracy, based on review of achievements on a regular basis and is in consonance and benchmarked with the existing industry practices.

- d) Allow the Company to compete in each relevant employment market.
- e) Provide consistency in remuneration and benefits throughout the Company.
- f) Align the performance of the business with the performance of key individuals and teams within the Company.

IV. Remuneration Policy for Directors

(a) Executive Directors

The remuneration of the Executive Directors will be recommended by the Nomination and Remuneration Committee (Committee) to the Board of Directors (Board) and after approval by the Board the same will be put up for the shareholder’s approval.

(b) Non-Executive Directors

Non-Executive Directors will be paid commission 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, will not exceed 1% of the net profits of the Company in a financial year calculated as per the requirements of Section 198 of the Companies Act, 2013 (“Act”). The said commission shall be decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance, contribution at the Board and certain Committee meetings and the time spent on operational matters other than at meetings.

The Company shall reimburse the travelling, hotel and other out-of-pocket expenses incurred by the Directors for attending the meetings and for other work on behalf of the Company.

V. Remuneration Policy for Key Managerial Personnel

The Company’s Remuneration Policy of Key Managerial Personnel (other than Executive Directors covered above) and other employees is driven by their success and performance of the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, performance based variable pay, benefits and perquisites, long term cash incentive plans and equity based reward plans. The Company may grant loans to the employees as per its Employees’ Personal Loan Policy. Individual performance pay is determined by business performance and the performance of the individuals measured through periodic appraisal process. The Company will ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate all employees to contribute to their potential and in turn run the Company successfully.

VI. Disclosure

The Remuneration Policy shall be disclosed in the Directors’ Report, Annual Report and such other places as may be required by the Act and rules framed thereunder, Equity Listing Agreement entered into with the stock exchanges (including any statutory modification(s) or re-enactment thereof) and such other laws for the time being in force.

VII. Implementation

This Policy has been approved and adopted by the Board of the Company after the recommendation of the Committee of the Company. Any revisions to the Policy will be submitted to the Board for consideration and approval upon recommendation by the Committee.

4. Finance Committee

As on March 31, 2020, the Finance Committee comprised of the following members:

- a) Mr. S. Madhavan (Chairman)
- b) Mr. Shiv Nadar
- c) Ms. Roshni Nadar Malhotra
- d) Mr. R. Srinivasan
- e) Mr. Thomas Sieber

Notes:

1. Mr. Thomas Sieber was co-opted as the member of the Finance Committee w.e.f September 4, 2019.
2. Mr. Shikhar Neelkamal Malhotra was co-opted as a member of the Finance Committee w.e.f. May 6, 2020.

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 recommends 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 prepare strategies 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 financial year ended March 31, 2020, the Committee met once on April 17, 2019. The necessary quorum was present for the meeting.

Further, during the year under review, four meetings of the Finance Committee were held via teleconference call on July 4, 2019, July 23, 2019, January 28, 2020 and February 7, 2020 and the decisions were taken through resolutions by circulation.

5. Stakeholders' Relationship Committee

As on March 31, 2020, the Stakeholders' Relationship Committee comprised of the following members:

- a) Mr. S. Madhavan (Chairman)
- b) Mr. Shiv Nadar
- c) Ms. Roshni Nadar Malhotra

The Chairman of the Committee, Mr. S. Madhavan is a Non-Executive Independent Director on the Board of the Company.

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 re-materialisation of shares / securities, issuance of split and duplicate shares / security certificates.

During the year under review, the Committee met four times on May 3, 2019, July 17, 2019, September 9, 2019 and September 30, 2019. The necessary quorum was present at all the meetings.

Name, Designation and Address of Compliance Officer

Mr. Manish Anand
 Sr. Vice President & Company Secretary
 HCL Technologies Limited
 Plot No.: 3A, Sector 126, Noida-201 304, UP, India
 Tel.: +91-11-26436336
 E-mail: manishanand@hcl.com

Investors' Grievances

The following table shows the Shareholders' complaints received during the financial year ended March 31, 2020:

Source of Complaint	Received	Resolved	Pending
Directly from the Investors	16	16	-
Through SEBI, Stock Exchanges, etc.	5	5	-
Total	21	21	-

6. Employees' Stock Option Allotment Committee

As on March 31, 2020, the Employees' Stock Option Allotment Committee comprised of the following members:

- Mr. Shiv Nadar
- Mr. S. Madhavan
- Mr. Prateek Aggarwal

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 financial year under review, the Committee met five times on July 17, 2019, July 31, 2019, September 9, 2019, October 11, 2019 and November 8, 2019. The necessary quorum was present for all the meetings.

7. Risk Management Committee

As on March 31, 2020, the Risk Management Committee comprised of the following members:

- Mr. S. Madhavan (Chairman)
- Mr. Deepak Kapoor
- Ms. Nishi Vasudeva
- Ms. Robin Ann Abrams

Terms of Reference

- To 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 including cyber security risks.
- To assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
- To review and approve the Risk Management Policy and associated framework, processes and practices.
- To evaluate significant risk exposures including business continuity planning and disaster recovery planning.
- To assess management's actions in mitigating the risk exposures in a timely manner.
- To 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.

- To 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.
- To maintain an aggregated view on the risk profile of the Company / industry in addition to the profile of individual risks.
- To ensure the implementation of and compliance with the objectives set out in the Risk Management Policy.
- To 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.
- To review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- 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.

During the year under review, the Committee met four times on April 22, 2019, July 11, 2019, September 27, 2019 and February 3, 2020. The necessary quorum was present at all the meetings.

8. Diversity Committee

In order to affirm, guide and support the commitment of the Company to drive gender diversity, the Company has in place a Committee of the Board of Directors named as Diversity Committee.

As on March 31, 2020, the Diversity Committee comprised of the following members:

- Ms. Robin Ann Abrams (Chairperson)
- Ms. Roshni Nadar Malhotra
- Mr. Shiv Nadar

Terms of Reference

Gender Diversity –

- To support the progression of women into senior roles.
- To ensure fair representation of women candidates in the hiring process.
- To ensure fairness in promotion, compensation, rewards and leadership development process.
- To build the leadership pipeline to achieve balanced gender ratio to all the levels of leadership.
- To manage bias in talent review and succession planning.

Culture and Ethnicity –

- To measure Culture via setting of Cultural Indicators.
- To promote inter-cultural competence.
- To ensure High Impact Leadership Transitions.
- To create a culturally balanced diverse workforce.
- To empower people of different ethnicity and diverse cultural backgrounds.

Individuals with Disabilities –

1. To ensure non-discrimination and recognition of the diversity of people with disabilities.
2. To ensure that job opportunity announcements contain language emphasizing hiring for individuals with disabilities and accordingly identify the roles/open positions available.
3. To ensure implementation of inclusive global policies.
4. To ensure specialized training is provided to all employees for ensuring accessible workplace.
5. To track and monitor employment of Individuals with Disabilities (IWD) on a quarterly basis.

During the year under review, the Committee met four times on May 6, 2019, July 17, 2019, October 17, 2019 and January 15, 2020. The necessary quorum was present for all the meetings.

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 Company Secretary. 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 an arm's length relationship with the Company.

TOTAL FEE PAID TO STATUTORY AUDITORS

- **Fee for Audit Services**

For the financial year ended March 31, 2020, a total fee of ₹19 crore was paid / incurred by the Company and its subsidiaries for all audit services availed (in India and overseas), on a consolidated basis, of which ₹4 crore were paid / incurred by the Company, to the Statutory Auditors of the Company, for statutory audit services provided by them; ₹1 crore was paid / incurred by domestic subsidiaries, for statutory audit services, to the Statutory Auditors and their network firms; and ₹14 crore was paid / incurred by the Company and its overseas subsidiaries, for audit of US GAAP financial statements on consolidated basis and audit of respective overseas subsidiaries, to the firms which are member firms and/or licensees of the international organization of which the Statutory Auditor of the Company is a sub-licensee.

- **Fee for Non-Audit Services**

For the financial year ended March 31, 2020, a total fee of ₹10 crore was paid / incurred by the Company and its subsidiaries for all non-audit services availed (in India and overseas), on a consolidated basis to the Statutory Auditors of the Company, their network firms and to the firms which are member firms and/or licensees of the international organization of which the Statutory Auditor of the Company is a sub licensee.

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 financial year

2019-20. Detailed information on materially significant related party transactions is enclosed in Annexure 3 to the Board Report. A Policy on Related Party Transactions formulated pursuant to the provisions of the Act and the Listing Regulations entered into by the Company with the Stock Exchanges and approved by the Board is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

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. COBEC also includes the duties of Independent Directors as mentioned in Schedule IV of the Act. COBEC is periodically reviewed taking into account the prevailing business and ethical practices. The Code is also posted on the website of the Company <https://www.hcltech.com/investors/governance-policies>.

All Board members and senior management personnel have confirmed compliance with the Code for the financial year ended March 31, 2020. A declaration to this effect signed by the Chairman & Chief Strategy Officer and CEO of the Company is provided in this Annual 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, 2015 (as amended from time to time). The Code of Conduct on Prohibition of Insider Trading ('Insider Trading Code') inter-alia prohibits trade in the shares of the Company by the Designated Persons (as defined under the Insider Trading Code) and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company. The Company, within two trading days of receipt of the information under the initial and continual disclosures from the Designated Persons (as defined under the Insider Trading Code), discloses the same to the extent required, 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 the Company's commitment towards prevention, deterrence and detection of fraud, bribery and other corrupt business practices, the Company has in place 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 policy is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE POLICY

In order to provide a safe and healthy work environment free of any hassles 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 Workplace Policy. This policy applies to all employees of the Company, its subsidiaries 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 complaint 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 the 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. During the year ended March 31, 2020, the Company has received 9 (nine) complaints on sexual harassment that were classified as significant incidents for investigation, all of which were disposed and appropriate actions were taken and no complaints remain pending as of March 31, 2020.

WHISTLEBLOWER 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, a Whistleblower 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 behaviour including breach of Company's Code of Conduct to regulate, monitor and report Insider Trading by Designated Persons and their immediate relatives, including any incident involving leak or suspected leak of unpublished price sensitive information, actual or suspected fraud or violation of the Company's Code of Business Ethics and Conduct. All cases registered under the Whistleblower Policy of the Company are reported to the external Ombudsperson who carries out preliminary investigations.

GENERAL BODY MEETINGS

The location and time of the AGMs held and details of special resolution passed thereat during the preceding 3 years are as follows:

Financial Year	Date	Time (IST)	Venue	Details of special resolution passed
2016-17	September 21, 2017	11:00 A.M.	The Stein Auditorium, Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003	Re-appointment of Mr. Shiv Nadar as the Managing Director of the Company
2017-18	September 18, 2018	11:00 A.M.	The Stein Auditorium, Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003	No special resolution passed
2018-19	August 6, 2019	11:00 A.M.	The Stein Auditorium, Habitat World, at India Habitat Centre, Lodhi Road, New Delhi-110003	<ol style="list-style-type: none"> 1. Re-appointment of Mr. R. Srinivasan as an Independent Director of the Company. 2. Re-appointment of Mr. S. Madhavan as an Independent Director of the Company. 3. Re-appointment of Ms. Robin Ann Abrams as an Independent Director of the Company. 4. Re-appointment of Dr. Sosale Shankara Sastry as an Independent Director of the Company. 5. Payment of commission to Non-Executive Directors.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year, the Company sought the approval of the shareholders by way of ordinary resolution through postal ballot / remote e-voting facility for approving the increase in the authorised share capital and consequent alteration of the memorandum of association of the Company and for the issue of bonus equity shares in the proportion of one equity share of Rs. 2/- each for every one equity share of Rs. 2/- each held by the shareholder of the Company. The ordinary resolutions were duly approved with requisite majority on November 29, 2019.

Person conducting the Postal Ballot

M/s. Nityanand Singh & Co., Company Secretaries, were appointed as the Scrutinizer for conducting the postal ballot / remote e-voting process in a fair and transparent manner in accordance with the Act and the Companies (Management and Administration) Rules, 2014 ('Management Rules') made thereunder.

Procedure followed for Postal Ballot / Remote E-voting

The postal ballot was conducted in accordance with the provisions contained in Sections 108 and 110 and other applicable provisions, if any, of the Act, read with Rule 20 and 22 of the Management Rules and Regulation 44 of the Listing Regulations. The Company provided the facility to vote either through physical ballot or through remote e-voting to the members. The Company availed the services of National Securities Depository Limited for the purpose of providing remote e-voting facility.

Complaints received against "C" Level Officers (CEO/CFO/CHRO/ President/Corporate Officers) or complaints against any Director or Chairman of the Company are overseen by the Chairman of the Audit Committee and disciplinary action is decided by the Audit Committee. Complaints against other employees are overseen by the Head of Internal Audit and disciplinary action is decided by the Whistleblower Committee. The Whistleblower has direct access to the Chairman of the Audit Committee in appropriate or exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard. The identity of the Whistleblower is kept confidential.

The Audit Committee reviews the policy and its implementation on periodic basis and is provided a quarterly update on the status of various complaints received and investigated. The policy is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India has issued Secretarial Standards on Board Meeting (SS-1) and General Meeting (SS-2) which were made compulsory for all companies by the Ministry of Corporate Affairs. The Institute has also issued Secretarial Standard on Dividend (SS-3), which is however not compulsory. The Company adheres to these standards.

The postal ballot notices were sent to the shareholders in electronic form to the email addresses registered with the depository / Company's Registrar and Share Transfer Agent. For shareholders whose email addresses were not registered, physical copies of the postal ballot notices were sent by permitted mode along with a postage prepaid self-addressed business reply envelope. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

The Company fixed a cut-off date to reckon paid-up value of equity shares registered in the name of shareholders for the purpose of voting. Shareholders were advised to cast their votes through remote e-voting during the voting period fixed for this purpose, or to exercise their votes through physical ballot by sending duly completed and signed forms so as to reach the scrutinizer before a specified date and time.

After completion of scrutiny of votes, the scrutinizer submitted his report and the results of postal ballot / e-voting were declared by the Chairman / authorised person. The results were placed on the website of the Company at www.hcltech.com besides being intimated to the Stock Exchanges and National Securities Depository Limited. The resolutions were deemed to have been passed on the last date of voting.

Details of Voting Pattern

Based on the Scrutinizers' Report, the details of the voting pattern in respect of the resolutions passed are as under:

Description of the Resolution	Votes in favour of the Resolution			Votes against the Resolution			Invalid Votes	
	Number of members voted through electronic voting system and through physical ballot form	Number of valid votes cast (shares)	% of total number of valid votes cast	Number of members voted through electronic voting system and through physical ballot form	Number of valid votes cast (shares)	% of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (shares)
Increase in the Authorised Share Capital and consequent alteration of the Memorandum of Association of the Company	2,666	1,124,054,496	93.05	140	83,958,115	6.95	83	9,608
Issue of Bonus Shares	2,700	1,178,593,724	97.56	91	29,499,707	2.44	106	14,048

SUBSIDIARY COMPANIES AND POLICY ON MATERIAL SUBSIDIARY

The Company has formulated and adopted a Policy for determining Material Subsidiary in line with the requirements of the Listing Regulations. The Policy aims to set out the principles for determining a material subsidiary. The Policy on the Material Subsidiary is available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

During the financial year under review, HCL America, Inc. and HCL Bermuda Limited were the material subsidiaries of the Company as per the criteria given under Regulation 16 of the Listing Regulations.

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 statement 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 Regulation 17(8) of the Listing Regulations read with Part B of Schedule II was placed before the Board along with the financial statements for the financial year ended March 31, 2020 and the Board reviewed the same. The said Certificate is provided in this 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 during the last three years.

c) Other Disclosures

1. The Company has in place the Whistleblower Policy and it provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Further, no employee has been denied access to the Audit Committee.
2. During the year, the Company did not raise any money through public issue, right issues, preferential issue or qualified institutional placement and there was no unspent money raised through such issues.
3. HCL Technologies Limited is rated [ICRA]AAA (Stable) by ICRA Limited in respect of its bank limits. There has been no change in the rating during the year under review.
4. Maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, and accordingly such accounts and records are not made and maintained by the Company.

5. In terms of the provisions of the Listing Regulations, the Company has in place an "Archival Policy" and a "Policy for Determination of Materiality of Events or Information". Both the policies are available on the website of the Company at <https://www.hcltech.com/investors/governance-policies>.

MEANS OF COMMUNICATION

- a) Financial Results, Newspapers in which results normally published:** The quarterly, half-yearly and annual financial results of the Company are generally published in leading newspapers in India *inter-alia*, in Mint and Hindustan. The results are also displayed on the Company's website www.hcltech.com.
- b) Website:** The Company's corporate website i.e. www.hcltech.com provides comprehensive information on the Company's portfolio of businesses. The website has an 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 Annual Report 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:** The Annual Report containing, *inter-alia*, the 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 to 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 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. <http://listing.bseindia.com>.
- h) Designated Exclusive e-mail ID:** The Company has the following designated e-mail 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 its 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 Annual Report 2019-20 and the Notice of the Twenty-Eighth AGM will be sent to all the members in the manner prescribed or as may be prescribed in the applicable law.

The shareholders of the Company are requested to register their e-mail addresses with their depository participants to ensure that the annual report and other documents reach them on their preferred e-mail 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 need to maintain continuous dialogue with the investor community. The objective of Investor Relations 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 provides comprehensive information in the form of Annual Reports, Quarterly Earnings Reports, Investor Releases on the Company's Website under 'Investors' section at <https://www.hcltech.com/investors>.

Additionally, Conference Calls, Management Interviews, Face to Face Investor Meetings and AGM(s) ensure a direct interaction of market participants with the Management Team.

The management is committed to build investor relations on the pillars of trust, consistency and transparency. Its proactive approach has enabled the investor community to better understand the nature of the Company's business, management strategies and operational performance over a period of time.

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON NON-DISQUALIFICATION OF DIRECTORS

As required under Regulation 34(3) and Schedule V the Listing Regulations, certificate dated April 23, 2020 obtained from M/s. Chandrasekaran Associates, Practicing Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.

ANNUAL SECRETARIAL COMPLIANCE REPORT

As required under Regulation 24A of the Listing Regulations, the Annual Secretarial Compliance Report dated April 23, 2020 issued by M/s. Chandrasekaran Associates, Practicing Company Secretaries, is annexed hereto.

GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting: Date Time Venue	: As mentioned in the AGM Notice
b.	Financial Year	: 01 st April, 2019 to 31 st March, 2020
c.	Date of Book Closure	: As mentioned in the AGM Notice
d.	Dividend Payment Date (subject to approval of shareholders)	: As mentioned in the AGM Notice
e.	Listing of Equity Shares on stock exchanges in India at	: National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th 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 Limited (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	: N.A.
i.	Debenture Trustee	: N.A.
j.	ISIN for Debentures	: N.A.
k.	Listing Fees	: Paid to all Stock Exchanges for the year 2019-20
l.	Corporate Identification Number (CIN) of the Company	: L74140DL1991PLC046369
m.	Registered Office	: 806, Siddharth, 96, Nehru Place, New Delhi – 110 019, India Tel.: +91-11-26436336 Homepage: www.hcltech.com

n. Stock Market Data

The details of the monthly high and low prices of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for period April 1, 2019 to March 31, 2020 are as follows:

Month	Share price on BSE		BSE-Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	1,190.00	1,077.00	39,487.45	38,460.25
May 2019	1,179.80	1,050.50	40,124.96	36,956.10
June 2019	1,116.75	1,058.90	40,312.07	38,870.96
July 2019	1,073.95	998.55	40,032.41	37,128.26
August 2019	1,128.25	994.00	37,807.55	36,102.35
September 2019	1,130.60	1,017.15	39,441.12	35,987.80
October 2019	1,169.50	1,040.65	40,392.22	37,415.83
November 2019	1,166.95	1,098.60	41,163.79	40,014.23
December 2019	576.80	535.00	41,809.96	40,135.37
January 2020	618.90	567.25	42,273.87	40,476.55
February 2020	624.00	531.30	41,709.30	38,219.97
March 2020	582.20	375.50	39,083.17	25,638.90

Source: This information is compiled from the data available from the website of BSE.

Note: The Company issued bonus equity shares on December 10, 2019 in the proportion of 1 equity share for every 1 equity share of ₹2/- each held by the equity shareholders of the Company. The share price of the Company from December 5, 2019 is Ex-Bonus price. Accordingly, the high and low prices for the month of December' 2019 have been stated after considering the impact of bonus issue.

Month	Share Price on NSE		NSE-Nifty	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	1,187.60	1,076.60	11,856.15	11,549.10
May 2019	1,180.50	1,050.25	12,041.15	11,108.30
June 2019	1,119.00	1,058.70	12,103.05	11,625.10
July 2019	1,069.90	1,001.50	11,981.75	11,229.80
August 2019	1,130.00	993.00	11,181.45	10,637.15
September 2019	1,130.60	1,017.00	11,694.85	10,670.25
October 2019	1,159.00	1,040.15	11,883.95	11,090.15
November 2019	1,167.00	1,098.45	12,158.80	11,802.65
December 2019	575.55	535.05	12,293.90	11,832.30
January 2020	618.00	566.85	12,430.50	11,929.60
February 2020	623.50	568.00	12,246.70	11,536.70
March 2020	581.90	375.25	11,433.00	7,511.10

Source: This information is compiled from the data available from the website of NSE.

Note: The Company issued bonus equity shares on December 10, 2019 in the proportion of 1 equity share for every 1 equity share of ₹2/- each held by the equity shareholders of the Company. The share price of the Company from December 5, 2019 is Ex-Bonus price. Accordingly, the high and low prices for the month of December' 2019 have been stated after considering the impact of bonus issue.

o. Registrar & Shares Transfer Agent:

The Company has appointed M/s. Link Intime India Private Limited as its Registrar and Share Transfer Agent ("RTA"), in place of M/s. Alankit Assignments Limited, with effect from October 1, 2019. The details of the RTA are as below -

M/s. Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai,
Maharashtra - 400 083
SEBI Registration No.: 1NR000004058
Corporate Identity Number: U67190MH1999PTC118368
Telephone: 022-49186270
Fax: 022-4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

will be accepted by the Companies / RTA. This amendment will help in curbing frauds and manipulation of risk in physical transfer of securities by unscrupulous persons. Further, holding of securities in dematerialized form will also improve ease, convenience and safety of transactions for the investors.

Transfer of shares in dematerialized form is done through the depositories with no involvement of the Company.

As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transposition and transmission and filed the same with the Stock Exchanges.

As on March 31, 2020, no equity share was pending for transmission or transposition.

p. Share Transfer System

99.96% of the equity shares of the Company are in dematerialized form. SEBI has amended the relevant provisions of the Listing Regulations to disallow the listed companies from accepting requests for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and/or other types of securities of the listed companies in physical form even after this date, will not be able to lodge requests for transfer of securities with the Company / RTA. They would be required to first convert the securities in dematerialized form if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form

q. Reconciliation of Share Capital Audit Report

As required under Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2020 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 March 31, 2020

i) Distribution of shareholding as on March 31, 2020

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 – 500	2,04,952	91.98	1,54,82,654	0.57
500 – 1,000	8,493	3.81	63,52,445	0.23
1,001 – 2,000	3,737	1.68	55,75,140	0.21
2,001 – 4,000	997	0.45	24,79,270	0.09
4,001 – 6,000	684	0.31	24,66,569	0.09
6,001 – 8,000	403	0.18	18,38,977	0.07
8,001 – 10,000	954	0.43	69,37,954	0.26
10,001 – 20,000	2,599	1.17	2,67,25,32,087	98.48
Total	2,22,819	100.00	2,71,36,65,096	100.00

ii) Categories of equity shareholders as on March 31, 2020

Category	Number of shares held	Voting Strength (%)
Promoters	1,63,71,90,274	60.33
Mutual Funds / UTI	14,78,04,372	5.45
Financial Institutions / Banks	4,22,11,014	1.56
Insurance Companies	5,58,69,366	2.06
Foreign Portfolio Investors / Foreign Institutional Investors	71,68,34,192	26.42
Alternate Investment Funds	15,23,634	0.06
Foreign Banks	29,644	0.00
Bodies Corporate	1,46,76,535	0.54
Individuals	6,66,01,443	2.45
NRIs / OCBs	1,27,07,008	0.47
NBFC's registered with RBI	3,88,480	0.01
Foreign Nationals	1,49,881	0.01
Trusts	1,06,08,061	0.39
Trust Employees	2,078	0.00
Central Government/State Government(s)/President of India*	9,64,594	0.04
Investor Education and Protection Fund	2,12,947	0.01
HUF	9,02,380	0.03
Clearing Members	49,89,193	0.18
Grand Total	2,71,36,65,096	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:

- 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 confirms or rejects the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his / her depository account maintained with DP.

As on March 31, 2020, about 99.96% 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.

The Company's ISIN in NSDL & CDSL for Equity Shares is INE860A01027.

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. Commodity price risk or foreign exchange risk and hedging activities

Please refer to Management Discussion and Analysis Report for the same.

v. Transfer of Unpaid / Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act, the dividend amount which have remain unpaid or unclaimed for a period of seven consecutive 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 125 of the Act. Shareholders who have not encashed their dividend warrants relating to the dividend specified in table below are requested to immediately send their request for issue of duplicate warrants. Once the unclaimed dividend is transferred to the IEPF, the same can be claimed from the IEPF Authority after following the procedures prescribed in the IEPF Rules.

Year	Dividend Type	Date of Declaration	Record Date / Book Closure Dates	Dividend Payment Dates	Dividend Amount / per share (₹)	Due Date of transfer to IEPF
2012-2013	Interim	April 17, 2013	April 23, 2013	April 30, 2013	2.00	May 17, 2020
	Final	December 27, 2013	December 20 - 23, 2013*	December 31, 2013	6.00	January 30, 2021
2013-2014	Interim	October 17, 2013	October 23, 2013	October 31, 2013	2.00	November 16, 2020
	Interim	January 16, 2014	January 23, 2014	January 31, 2014	4.00	February 15, 2021
	Interim	April 17, 2014	April 23, 2014	April 30, 2014	4.00	May 17, 2021
2014-2015	Interim	July 31, 2014	August 6, 2014	August 14, 2014	12.00	August 30, 2021
	Interim	October 17, 2014	October 23, 2014	November 3, 2014	6.00	November 16, 2021
	Interim	January 30, 2015	February 5, 2015	February 11, 2015	8.00	March 1, 2022
	Interim	April 21, 2015	April 27, 2015	May 5, 2015	4.00	May 21, 2022
2015-2016	Interim	August 3, 2015	August 10, 2015	August 17, 2015	5.00	September 2, 2022
	Interim	October 19, 2015	October 26, 2015	November 2, 2015	5.00	November 9, 2022
	Interim	January 19, 2016	January 28, 2016	February 4, 2016	6.00	February 18, 2023
2016-2017	Interim	April 28, 2016	May 13, 2016	May 13, 2016	6.00	May 29, 2023
	Interim	August 3, 2016	August 19, 2016	August 19, 2016	6.00	September 3, 2023
	Interim	October 21, 2016	November 7, 2016	November 7, 2016	6.00	November 21, 2023
	Interim	January 24, 2017	February 9, 2017	February 9, 2017	6.00	February 24, 2024
2017-2018	Interim	May 11, 2017	May 11, 2017	June 2, 2017	6.00	May 28, 2024
	Interim	July 27, 2017	August 4, 2017	August 11, 2017	2.00	August 26, 2024
	Interim	October 25, 2017	October 25, 2017	November 2, 2017	2.00	November 24, 2024
	Interim	January 19, 2018	January 30, 2018	February 5, 2018	2.00	February 18, 2025
2018-2019	Interim	May 2, 2018	May 10, 2018	May 17, 2018	2.00	June 1, 2025
	Interim	July 27, 2018	August 6 to August 6, 2018 *	August 14, 2018	2.00	August 26, 2025
	Interim	October 23, 2018	October 31, 2018	November 9, 2018	2.00	November 22, 2025
	Interim	January 29, 2019	February 6, 2019	February 14, 2019	2.00	February 28, 2026
2019-2020	Interim	May 9, 2019	May 17, 2019	May 24, 2019	2.00	June 8, 2026
	Interim	August 7, 2019	August 17, 2019	August 26, 2019	2.00	September 6, 2026
	Interim	October 23, 2019	November 1, 2019	November 8, 2019	2.00	November 22, 2026
	Interim	January 17, 2020	January 27, 2020	February 4, 2020	2.00	February 16, 2027

* Book Closure dates

Note: In addition to the above, the Company also transferred the bonus equity shares to the IEPF in respect of the shares that were already transferred to the IEPF till the date of the issue of bonus shares.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the details of unpaid and unclaimed amounts lying with the Company have been uploaded on the website of the Company at <https://www.hcltech.com/investors/iepf-details> and on the website of the Ministry of Corporate Affairs.

w. Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2020	Third week of July, 2020
Financial reporting for the second quarter ending September 30, 2020	Third week of October, 2020
Financial reporting for the third quarter ending December 31, 2020	Third week of January, 2021
Financial reporting for the fourth quarter and year ending March 31, 2021	Last week of April, 2021
AGM for the year ending March 31, 2021	August, 2021

x. Address for Shareholders' correspondence

The Secretarial Department
HCL Technologies Limited
14th Floor, Tower- 6,
Plot No.3A, Sector -126,
Noida-201 304, UP, India
Tel.: + 91 11 26436336
E-mail ID: investors@hcl.com

y. Compliance Certificate on the Corporate Governance from the Auditors

The certificate dated May 7, 2020 obtained from the Statutory Auditors of the Company, M/s. B S R & Co. LLP, confirming compliance with the corporate governance requirements as stipulated under Schedule V read with Regulation 34 (3) of the Listing Regulations, is annexed hereto.

z. Centres' Locations

Chennai – STPI		
RMZ Millenia Business Park, (Campus 5, 3 rd Floor) Dr. MGR Veeranam Road, No:143, Perungudi Village, Sholinganallur Taluk, Kancheepuram District, Chennai – 600 096 Tel.: +(91) 44 2454 0999	D-12, SIDCO Industrial Estate, Ambattur Industrial Estate, Ambattur (AMB-1) Chennai – 600 058 Tel.: +(91) 44 4200 4800	64 & 65, Second Main Road, Ambattur Industrial Estate, Ambattur (AMB-3) Chennai - 600 058 Tel.: +(91) 44 6648 3900
94, South Phase, Ambattur Industrial Estate, Ambattur (AMB-4) Chennai - 600 058 Tel.: +(91) 44 6107 4600	73-74, South Phase, Ambattur Industrial Estate, Ambattur (AMB-5), Chennai - 600 058 Tel.: +(91) 044 6107 5000	8, South Phase, MTH Road, Ambattur Industrial Estate, Ambattur (AMB-6) Chennai - 600 058 Tel: +(91) 44 6107 6916
Arihant Technopolis, 4/293, Old Mahabalipuram Road, Kandanchavadi Perungundi, Chennai - 600 096, Tel.: +(91) 44 6665 7930		
Chennai SEZ		
ELCOT–SEZ Special Economic Zone, 602/3, 138, Medavakkam High Road, Shozhinganallur Village, Kancheepuram (Dist.) Chennai - 600 119 Tel.: +(91) 44 6105 0001	ETA-Techno Park, Special Economic Zone, 33, Rajiv Gandhi Salai, Navallur Village and Panchayat, Thiruporur Panchayat Union, Chengalpet Taluk Kanchipuram Dist., Chennai – 600 119 Tel.: +(91) 44 4746 1000	Ozone Technopark, SEZ Unit-1, 2/1 Abu Garden, 6 th Floor, Platinum Holdings Private Limited, OMR Navalur, Kancheepuram Dist. (Chengalpattu New Dist.) Chennai - 600 130 Tel.: +(91) 44 6156 9000
Madurai – SEZ	Madurai	Coimbatore
ELCOT Special Economic Zone, SEZ - Unit – 1, Tower - 1,2,3 Survey No: 1/2,4/2 & 5, Plot No. 5&7, Ilandaikulam Village, Madurai – 625 020 Tel.: +(91) 452 666 7201	SPA IT Towers, Survey No. 155/1 and 155/2, 120 Feet Road, Near Preethi, Hospital, Opp. Mattuthavani Bus Stand, Madurai – 625 020 Tel.: +(91) 452 402 2600	Rathinam Tech Zone Campus, Block 2, First floor, Pollachi Main Road, Echanari Coimbatore – 641 021 Tel.: +(91) 422 664 7502
Hyderabad – SEZ	Hyderabad – SEZ	Kochi SEZ
Avinash Hitech City 2 Society, Plot H-01B and H08, Sy. No. 30, 34, 35 & 38, Gachibowli Village, Serillimgampally Mandal Ranga Reddy District, Hyderabad – 500 081 Tel.: +(91) 40 3090 4000	GAR Corporation Private Limited SEZ, 3rd floor of Tower 8, Laxmi Infobahn, located at Sy No 89, Kokapet (V), Gandipet Mandal, Ranga Reddy District, Hyderabad 500 075, Telangana	Athulya Building, SDB Block, Ground Floor, Infopark, Kochi PO Phase 1 SEZ Kakkanad – 682 042
Bengaluru – STPI		
GR Tech Park, No-137, Ground Floor, Vayu Block, 'B' Wing, Salarpuria, Whitefield, Bangalore – 560 066 Tel.: +(91) 80 49214600	Surya Sapphire, Plot No.3, Survey House No 20 & 22, Konappanan Agrahara Village, Electronic City, Hosur Road, Bangalore – 560 100 Tel.: + (91) 80 66267000 Fax: +(91) 80 28529100	

Bengaluru SEZ		
Special Economic Zone, 129, Jigani Industrial Area, Bommasandra Jigani Link Road, Bangalore-562106 Tel.: +(91) 80 6781 0000 Fax: +(91)80 6631 1111	Manyata Embassy Business Park, SEZ, Block C4 (ELM), 1 st Floor, Wing A & Wing B, Outer Ring Road, Nagavara & Rachenahalli Villages, KR Puram Hobli, Bangalore – 560 045	Karle Town Centre Survey Nos. 72, 91/3 and 91/4, Nagavara Vill, Kasaba Hobli, North Taluk Bangalore – 560 045 Tel.: +(91) 80 6639 0100
Cessana Business Park- SEZ, Ground & 1 st Floor, Building 9 Village, Varthur Hobli, Outer Ring Road, East Taluk, Bangalore – 560 087 Tel: +(91) 80 6148 5000	Aviator Building, Wing B, 5th Floor, Ascendas ITPL-SEZ, Whitefield Main Road, Bengaluru – 560 066 Tel.: +(91) 80 4851 4643	
Noida – STPI		
A-8 & 9, Sector - 60, Noida – 201 301 Tel.: +(91) 120 438 4000 Fax: +(91) 120 438 4606	A-11, Sector - 16, Noida - 201 301 Tel.: +(91) 120 438 3000 Fax: +(91) 120 251 0713	A-2, Sec-3, Noida – 201 301 Tel.: +(91) 120 426 2900
A- 9, 10, 11, Sector - 3 Noida – 201 301 Tel.: +(91) 120 401 3000 Tel.: +(91) 120 438 2800	B-34/3, Sector - 59, Noida – 201 301 Tel.: +(91) 120 401 1800	A-22, Sector - 60, Noida – 201 301 Tel.: +(91) 120 438 7300
Lotus Business Park, Plot No. 8, Tower B, 1 st -3 rd Floor, Sector - 127, Noida – 201 301 Tel.: +(91) 120 635 1004	Golden Tower Infratech Private Limited, 4 th & 5 th Floor, Plot No. 8, Sector - 144, Noida – 201 301	
Noida SEZ	Lucknow SEZ	MANESAR -STPI
Noida Technology Hub (SEZ) Plot No: 3A, Sector - 126, Noida – 201 303 Tel.: +(91)120 612 6000 Fax: +(91) 11 2643 6336	Village Kanjehara & Mastemau, Chuck Gajaria Farms, Sultanpur Road, Lucknow – 262 002 Tel.: +(91) 522 678 8000 +(91) 522 714 8000	CP3, Sector 8, IMT Manesar, Gurugram – 122 050 Tel.: +(91) 124 618 6000
Kolkata – SEZ	Kolkata STPI	
CANDOR Kolkata One Hi-Tech Structure Private Limited, SEZ-IT/ITES, Plot No – 1, Block No. A2 & A3, DH Street No:316, 3 rd & 4 th Floor, New Town, Rajarhat Dist., North 24 Parganas, Kolkata – 700 156 Tel.: +(91) 33 6605 2430/2386 +(91) 33 3027 2341/2350	SDF Building, 1 st & 3 rd Floors, Module Nos. 212-214, 228-230, Block-GP, Sector-V, Salt Lake, Kolkata – 700 091 Tel.: +(91) 33 4030 8200 +(91) 33 2357 3024/3025/3209	
Pune –STPI		
Plot 6 & 8, Rajiv Gandhi Infotech Park, MIDC Phase 1, Hinjewadi, Pune – 411 057 Tel.: +(91) 20 4028 4445	World Trade centre, Survey No: 1, Tower - 3, 9 th Floor, Kharadi, Pune – 411 014 Tel.: +(91) 20 722 8800	1 st Floor, Wing 1, Tower - A, Business Bay, Survey No 103, Hissa No. 2 Airport Road, Yerwada Pune - 411006 Tel.: +(91) 20 721 1251, Tel.: +(91) 20 6741 1000
Plot No. 1, S. No. 238 & 239, Quadra,Hadapsar, Taluka Haveli, Pune- 411 028 Tel.: +(91) 20 6193 7012	Qubix Business Park Private Limited, SEZ, Survey no-145/6, Block - IT5, 5&6th floor, Rajiv Gandhi Infotech Park, MIDC, Phase-1, Hinjewadi, Pune-411057 Tel.: +(91) 20 40284444	
Pune – SEZ		
Embassy Tech Zone, Plot No 3A, 1 st and 2 nd Floor Rajiv Gandhi Infotech Park, Phase 2 Hinjewadi, Pune – 411 057 Tel.: +(91) 20 4028 4090 / 4444 Fax: +(91) 20 4675 1018	Tower 7, Level, Upper Ground Floor (Wing A & B), Hadapsar Cybercity Magarpatta, SEZ Pune – 411 013 Tel.: +(91) 20 721 6301 Tel.: +(91) 20 3040 6300	
Nagpur SEZ	Mumbai STPI	
Plot no. 5, Sector - 12, Unit-, MIHAN SEZ, Nagpur – 441 108 Tel.: +(91) 712 678 0000	Reliable Tech Park 703, A & B Wing, 7 th Floor, Airoli, Mumbai – 400 708 Tel.: +(91) 22 6705 6556	

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Listing Regulations provides certain mandatory requirements which have to be fulfilled by the Company. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Specifically, the Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations.

The Listing Regulations further states certain non-mandatory requirements which may be implemented as per the discretion of the Company. The Company complies with the following non-mandatory requirements:

1. 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.

The Company communicates with investors regularly through e-mail, telephone and face to face meetings either in investor's conferences, Company visits or on road shows.

The Company leverages the internet in communicating with its investors. After the announcement of the quarterly results, a business television channel in India telecasts discussions with the management. This enables a large number of retail investors in India to understand the Company's 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.

The quarterly financial results are also published in English and Hindi daily newspapers.

2. Audit Qualifications

It is always the Company's endeavour to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended March 31, 2020.

3. Separate posts of Chairman and CEO

The positions of the Chairman and the CEO are held by separate individuals. Mr. Shiv Nadar is the Chairman of the Company and Mr. C .Vijayakumar is the CEO of the Company.

4. Reporting of Internal Auditor

The Internal Auditor of the Company directly reports to the Audit Committee on the functional matters.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members
HCL Technologies Limited
806, Siddharth, 96, Nehru Place
New Delhi 110019

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HCL Technologies Limited having CIN L74140DL1991PLC046369 and registered office at 806, Siddharth, 96, Nehru Place, New Delhi 110019 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. NO.	NAME OF THE DIRECTOR	DIN	DATE OF APPOINTMENT IN THE COMPANY
1.	Mr. Shiv Nadar	00015850	11/01/1993
2.	Ms. Robin Ann Abrams	00030840	13/09/1999
3.	Mr. Deepak Kapoor	00162957	26/07/2017
4.	Mr. Srinivasan Ramanathan	00575854	19/04/2011
5.	Mr. Shikhar Neelkamal Malhotra	00779720	22/10/2019
6.	Ms. Roshni Nadar Malhotra	02346621	29/07/2013
7.	Ms. Nishi Vasudeva	03016991	01/08/2016
8.	Mr. Sosale Shankara Sastry	05331243	24/07/2012
9.	Mr. Subramanian Madhavan	06451889	15/01/2013
10.	Mr. Mohan Chellappa	06657830	06/08/2019
11.	Mr. Thomas Sieber	07311191	17/10/2015
12.	Mr. Simon John England	08664595	16/01/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644B000173849

Date: 23.04.2020
Place: New Delhi

SECRETARIAL COMPLIANCE REPORT OF HCL TECHNOLOGIES LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2020

To,
The Board of Directors
HCL Technologies Limited
806, Siddharth, 96, Nehru Place
New Delhi-110019

We M/s. Chandrasekaran Associates have examined:

- (a) All the documents and records made available to us and explanation provided by HCL Technologies Limited. ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and;
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable during the year under review.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the year under review.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **Not Applicable during the year under review.**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
- (k) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The company has suitably included the conditions as mentioned in Para 6(A) and 6(B) of the SEBI Circular CIR/CFD/CMD1/114/2019, dated October 18, 2019 in the terms of appointment of statutory auditor of the Company.

- (d) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL	NIL	NIL	NIL

- (e) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable during the year under review				

For **Chandrasekaran Associates**
Company Secretaries

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644B000173838

Date: 23.04.2020

Place: New Delhi

Notes:

- i. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are the true and correct.
- ii. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-2020. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

To the Members of
HCL Technologies Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 18 December 2019.
2. This report contains details of compliance of conditions of Corporate Governance by HCL Technologies Limited ('the Company') for the year ended 31 March, 2020 as stipulated in regulations 17 to 27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock exchanges') and to be sent to the shareholders of the company.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31 March, 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Vikram Advani
Partner
Membership number: 091765
UDIN: 20091765AAAABI5094

Place: Gurugram
Date: 7 May, 2020

DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Shiv Nadar, Chairman & Chief Strategy Officer and C. Vijayakumar, 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 March 31, 2020, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

Shiv Nadar
Chairman & Chief Strategy Officer

C Vijayakumar
President & Chief Executive Officer

Place: New Delhi, India
Date: May 7, 2020

Place: New Jersey, USA
Date: May 7, 2020

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors
HCL Technologies Limited
New Delhi

Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2020 and 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; and
 - 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. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee –
 - i) that there are no significant changes in internal control over financial reporting during the year;
 - ii) that there are no significant changes in accounting policies during the year; and
 - iii) that there are no instances of significant fraud of which we have become aware and that there is no involvement of the management or employee having a significant role in the Company's internal control system over financial reporting.

C. Vijayakumar
President & Chief Executive Officer
Place: New Jersey, USA

Shiv Nadar
Chairman & Chief Strategy Officer
Place: New Delhi, India

Prateek Aggarwal
Chief Financial Officer
Place: Noida (U.P.), India
Date: May 7, 2020

Prahlad Rai Bansal
Deputy Chief Financial Officer
Place: Delhi, India

Business Responsibility Report

With our strong commitment towards an adherence on sustainability and sustainable best practices across our eco-system, we are delighted to present herewith, the Business Responsibility Report of the Company for the financial year ended March 31, 2020. This report is prepared pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as stipulated by the Ministry of Corporate Affairs, Govt. of India.

This Business Responsibility Report covers the responses towards the governance, stakeholders' relations and environmental parameters for the various business units directly under HCL Technologies Limited.

Introduction:

HCL Technologies Limited ("HCL" or the "Company") is a leading global technology company that helps global enterprises re-imagine and transform their businesses through digital technology transformation. HCL operates out of 46 countries and has consolidated revenues of 70,676 crore for the year ended March 31, 2020. HCL focuses on providing an integrated portfolio of services underlined by its Mode 1-2-3 growth strategy.

Mode 1 encompasses the core services in the areas of Applications, Infrastructure, BPO, and Engineering and R&D services, leveraging DRYICE Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'.

Mode 2 focuses on experience-centric and outcome-oriented integrated offerings of Digital and Analytics, IoT WoRKS™, Cloud Native Services and Cyber security and GRC services to drive business outcomes and enable enterprise digitalization.

Mode 3 strategy is ecosystem-driven, creating innovative IP-partnerships to build products and platforms business. HCL leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi-service delivery in key industry verticals, including Financial Services, Manufacturing, Telecommunications, Media, Publishing, Entertainment, Retail and CPG, Life Sciences and Healthcare, Oil and Gas, Energy and Utilities, Travel, Transportation and Logistics and Government.

With 150,423 professionals from diverse nationalities, HCL focuses on creating real value for customers by taking 'Relationships Beyond the Contract'.

Section A: General Information about the Company		
1	Corporate Identity Number (CIN) of the Company	L74140DL1991PLC046369
2	Name of the Company	HCL Technologies Limited
3	Registered address	806, Siddharth, 96, Nehru Place, New Delhi - 110019 India
4	Website	www.hcltech.com
5	E-mail ID	investors@hcl.com
6	Financial year reported	April 1, 2019 to March 31, 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	IT Infrastructure Services, Software Application Services, Engineering and R&D Services and Business Process Services.
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	<p>Mode 1 Core services: HCL delivers core services in the areas of Applications, Infrastructure, Engineering and R&D and Business Services, leveraging DRYICE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'.</p> <p>Mode 2 Next-Gen services: HCL delivers experience-centric and outcome-oriented integrated offerings across Digital and Analytics, IoT WoRKS™, Cloud Native Services and Cybersecurity and GRC services.</p> <p>Mode 3 Products and Platforms: HCL leverages its expertise in building software IP-led businesses over the last forty years, like IT Automation, Orchestration, Hybrid Data, Security and Collaboration.</p>

9	<p>Total number of locations where business activity is undertaken by the Company</p> <p>a) Number of International Locations (Provide details of major 5)</p> <p>b) Number of National Locations</p>	<p>a) International Locations - The Company has presence in 46 countries across the globe including India.</p> <p>5 Major International Locations are: Americas, Poland, Mexico, Philippines and the UK.</p> <p>For more details, refer - https://www.hcltech.com/geo-presence</p> <p>b) National Locations - The Company is located across 9 states in India with a total of 78 offices.</p>
10	Markets served by the Company	<p>Americas</p> <p>Europe</p> <p>Rest of the World (RoW)</p> <p>For details, please refer to https://www.hcltech.com/geo-presence</p>

Section B: Financial Details of the Company		
1	Paid up Capital (INR): (as on March 31, 2020)	₹543 crore
2	Total Turnover (INR) (as per the consolidated Financial Statements for the year ended March 31, 2020)	₹70,676 crore
3	Total Profit After Taxes (INR) (as per the consolidated Financial Statements on March 31, 2020)	₹11,057 crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	<p>During the year, the Company has contributed ₹174.99 crore for CSR activities.</p> <p>For details, refer to Annexure 4 of the Directors' Report which forms part of this Annual Report.</p>
5	List of CSR Activities in which expenditure has been Incurred	Refer to Annexure 4 of the Directors' Report which forms part of this Annual Report.

Section C: Other Details		
1	Does the Company have any subsidiary company / companies?	Yes.
2	Do the subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes. As on March 31, 2020 the Company has 137 subsidiaries and 11 associates.
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	<p>Being a responsible organization, the Company believes in educating its suppliers and distributors on the BR initiatives of the Company.</p> <p>The Company conducts vendor meets and participates in various knowledge sharing platforms with an objective to share the BR initiatives with its suppliers.</p>

Section D: BR Information		
Details of Director / Directors responsible for BR		
1	Details of the Director / Directors responsible for implementation of the BR policy / policies	
	DIN Number	00030840
	Name	Ms. Robin Ann Abrams
	Designation	Independent Director

2	Details of BR Head of the Company	
	DIN Number (if applicable)	N.A.
	Name	Mr. Ravi Kathuria
	Designation	Global Head - Communications, Corporate Affairs and Advocacy, Senior Vice President, Marketing (EMEA and APAC)
	Telephone number	+91 (120) 4362900
	E-mail id	Ravi.Kathuria@hcl.com

Principle-wise (as per NVGs) BR Policy / Policies (Reply in Y/N)

BRR Principle mapping to the policies of the Company

Principle-wise (as per NVGs) BR Policy / Policies (Reply in Y/N)										
Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for P1 to P9	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Have the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.hcltech.com/socially-responsible-business#other-policies https://www.hcltech.com/investors/corporate-governance-hcl All policies are listed on the Company's intranet https://www.myhcl.com >> HR Studio >> Policies Hub								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sl. No.	Policy Name	Principal Mapping
1.	Employee Code of Business Ethics and Conduct	P1
2.	Equal Opportunity Employer	P4, P5
3.	Environment Policy	P6, P2
4.	Occupational Health and Safety Policy	P3, P5
5.	Anti-Bribery and Anti-Corruption Policy	P1
6.	Prevention and Redressal of Sexual Harassment at Workplace Policy	P3, P5
7.	Whistleblower Policy	P1, P5
8.	Procurement Policy	P2
9.	Siting Policy	P8
10.	Social Media Policy	P7
11.	Supplier Diversity Policy	P4
12.	Stakeholder Engagement Framework	P4, P9
13.	Business Gifts and Entertainment Policy	P1

P. No.	BRR Principle
1.	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2.	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3.	Businesses should promote the well-being of all employees
4.	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
5.	Businesses should respect and promote human rights
6.	Businesses should respect, protect, and make efforts to restore environment
7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8.	Businesses should support inclusive growth and equitable development
9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Governance related to BR	
A. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.	<p>Within the Company, the Board Committees play a very significant role in the governance structure. They are essentially meant to deal with specific areas / activities of the Company. There is a Corporate Social Responsibility (CSR) Committee of the Board which monitors and reviews the CSR activities.</p> <p>For details on the frequency of the CSR Committee meetings, kindly refer the “<i>Frequency and length of meeting of the Committees of the Board and Agenda</i>” section in the Corporate Governance Report which forms part of this Annual Report.</p>
B. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<p>Yes, the Company publishes BRR on an annual basis. Given below is the link: https://www.hcltech.com/socially-responsible-business#sustainability</p>

Section E: Principle-wise Performance	
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	
1	<p>Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?</p> <p>Yes, the Company has an Anti-Bribery and Anti-Corruption Policy in place that governs the ethics, bribery and corruption related matters at HCL. The mentioned policies are applicable to the employees across all grades including senior executives, the members of the Board and fixed-term or temporary employees like contractors, consultants, trainees, interns, volunteers, third- party agents or any other person associated with the Company. These policies are also applicable to all the affiliates and subsidiaries of the Company and also across the entire value chain of the Company.</p> <p>The policy document has been uploaded on HCL's web portal https://www.hcltech.com/investors/governance-policies.</p>
2	<p>How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof, in about 50 words or so.</p> <p>The Company has no significant customer complaints pending in active litigation as on the end of the financial year, and there are no consumer cases pending as on the end of the financial year.</p>
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	
1	<p>List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.</p> <p>HCL offers multiple IT related services and while designing these services, social and environmental concerns and related risks and opportunities are well taken care of. The Company's services are offered under HCL's strategy as presented below.</p> <p>HCL's Mode 1-2-3 strategy helps future proof customers' business, by deploying a concurrent, three-point spotlight on the existing core of their business, new growth areas as well as the ecosystems of the future. As detailed below, each of the three modes have distinct outcomes and growth potential.</p> <p>Mode 1: Core Services</p> <p>Under Mode 1, HCL delivers core services in the areas of Applications, Infrastructure, BPO and Engineering and R&D, leveraging DRYiCE autonomies and orchestration to transform clients' business and IT landscape making them "lean" and "agile".</p> <p>Mode 2: Next Generation Services</p> <p>Under Mode 2, HCL delivers experience-centric and outcome-oriented integrated offerings of Digital and Analytics, IoT WoRKS™, Cloud Native Services and Cyber-security and GRC services.</p> <p>Mode 3: Products and Platforms</p> <p>HCL continues to explore and enter into innovative IP-based partnerships, targeting specific next-generation opportunities. Mode 3 includes the external IP partnership with IBM extending now to half a dozen products. HCL also continues to invest in its internal IP creation strategy and expansion of capabilities and markets for DRYiCE, the next-generation autonomies and orchestration products and platform.</p>

<p>2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>Yes, HCL has been undertaking various initiatives in the field of clean technology, energy efficiency and renewable energy.</p> <p>The Company has taken initiatives to procure renewable power through Open Access System and On-site installations. In total, 26,460 MWH of Renewable Power for our major campuses has been consumed in the financial year FY 19-20.</p> <p>In addition to the above, Measurable Energy Conservation plan, implemented by the Company, led to energy saving of 6,784 MWh.</p> <p>Summary of above mentioned operational efficiency related interventions are tabulated below:</p>	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Energy related Intervention Particulars</th> <th>FY19-20 (MWH)</th> <th>Carbon Footprint Reduction (tco₂)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Renewable Power Purchase</td> <td>26,460</td> <td>21,961</td> </tr> <tr> <td colspan="4">Operational related intervention</td> </tr> <tr> <td>1</td> <td>HVAC Operational Performances Improvement</td> <td>2,136</td> <td>1,773</td> </tr> <tr> <td>2</td> <td>Chiller Operational Performances Improvement</td> <td>1,391</td> <td>1,154</td> </tr> <tr> <td>3</td> <td>Energy Efficient Lighting & Controls</td> <td>2,495</td> <td>2,071</td> </tr> <tr> <td>4</td> <td>Effective utilization of UPS</td> <td>721</td> <td>598</td> </tr> <tr> <td>5</td> <td>Elevator and STP Operation optimization</td> <td>17.5</td> <td>14.5</td> </tr> <tr> <td>6</td> <td>Solar Water Heating</td> <td>3.21</td> <td>2.66</td> </tr> <tr> <td colspan="2">Grand Total</td> <td>33,223</td> <td>27,575</td> </tr> </tbody> </table> <p>Conversion reference Grid Emission Factors - CO₂ Baseline Database for the Indian Power Sector 2018. Weighted average emission factor of the Indian Grid taken in tCO₂/MWh.</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Water related Intervention Particulars</th> <th>FY19-20 (KL)</th> <th>HCL Facility Covered</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>STP treated water use</td> <td>61,396</td> <td>ETA, NGP and SEZ NOIDA</td> </tr> <tr> <td>2</td> <td>Water aerators (3 LPM Capacity)</td> <td>21,126</td> <td>PAN India</td> </tr> <tr> <td>3</td> <td>Water reuse (fountain water / reject water)</td> <td>3,549</td> <td>Pune (AMB) & MDU</td> </tr> <tr> <td>4</td> <td>EWC flush valve adjustment</td> <td>1,092</td> <td>HYD</td> </tr> <tr> <td colspan="2">Grand Total</td> <td>87,163</td> <td>-</td> </tr> </tbody> </table>	Sl. No.	Energy related Intervention Particulars	FY19-20 (MWH)	Carbon Footprint Reduction (tco ₂)	1	Renewable Power Purchase	26,460	21,961	Operational related intervention				1	HVAC Operational Performances Improvement	2,136	1,773	2	Chiller Operational Performances Improvement	1,391	1,154	3	Energy Efficient Lighting & Controls	2,495	2,071	4	Effective utilization of UPS	721	598	5	Elevator and STP Operation optimization	17.5	14.5	6	Solar Water Heating	3.21	2.66	Grand Total		33,223	27,575	Sl. No.	Water related Intervention Particulars	FY19-20 (KL)	HCL Facility Covered	1	STP treated water use	61,396	ETA, NGP and SEZ NOIDA	2	Water aerators (3 LPM Capacity)	21,126	PAN India	3	Water reuse (fountain water / reject water)	3,549	Pune (AMB) & MDU	4	EWC flush valve adjustment	1,092	HYD	Grand Total		87,163	-
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3	<p>Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the Company has Procurement Policy in place which discourages discrimination with any vendor on the basis of gender, nationality, ethnicity, religion, disability etc. In accordance with local legislations and best practices, HCL's procurement process is transparent, objective and non-discriminatory in the selection of its vendors. The Company works towards sustainable sourcing and ensure that our Company's social and environmental performance extends to our supply chain by sharing our expectations with our vendors from time to time. We also promote localization of business by giving preferences to local vendors. HCL is committed to do business with environmentally responsible vendors with an objective to minimize the adverse effects on the community, the environment and natural resources while safeguarding health and safety of the public.</p> <p>We intend to procure 5% of our goods and services from marginalized and vulnerable sections of society e.g. women and people with disabilities.</p>
4	<p>Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>Yes, HCL encourages to on-board suppliers / vendors who comply with local laws and policies to maintain and balance diversity requirements.</p> <p>HCL's Procurement Policy particularly focusses on local vendors. While selecting the vendors, preference is given to local vendors for outsourcing jobs pertaining to facilities management, procurement of materials for infrastructure development and other operations with an objective of creating employment and economic opportunities in the area HCL operates in.</p> <p>The Company also maintains Minority and Women based vendors' data in CL (Contingent Labour) vendors' database to fulfil business need wherever needed as per business demand.</p>
5	<p>Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Yes, the Company has established various mechanisms to recycle products and waste.</p> <p>Some of the key steps adopted by the Company are listed below:</p> <p><u>Water Management</u></p> <ul style="list-style-type: none"> • Installation of sensor taps to optimize water usage. • Installation of dual flush system to minimize water wastage. • Installation of Sewer Treatment Plant (STP) within campus to treat the sewer water and reuse for flushing, landscaping and HVAC. • No water discharge from campus. • Installation of timer-based automatic controls for water sprinklers to conserve water used for lawn maintenance. • 100% replacement of plastic and paper cups with ceramic mugs. • 100% replacement of tissue towels from washroom with blowers. • Printer pin deployment to save paper. • Installation of environment friendly refrigerants. • Creation of rain water harvesting pits. <p><u>Waste Management</u></p> <ul style="list-style-type: none"> • E-waste – Conventional lights have been replaced with LED based lights, thereby reducing the harmful effects of mercury and reducing the health and environmental concerns. Projectors have also been replaced with LEDs, thus contributing significantly to power consumption and at the same time reducing the waste. • Paper – The campus strives to become a paperless campus and thus, suitable measures like printer pin deployment, printer on alternate floors, setting up maximum printing limit, double side printing and reduction in font size are encouraged. These measures have resulted in significant conservation of paper. • Reduce, Recycle, Reuse – The waste management programs are based on the principles of 3R. All the waste generated by us is measured and quantified. The waste is categorized according to the source and disposal. <p>The hazardous waste is disposed of in environment friendly manner and paper waste is recycled and reused. Bio medical waste is disposed of in a safe manner. Food remains and garden waste are reused to make manure.</p>

Principle 3: Businesses should promote the well-being of all employees														
1	Please indicate the total number of employees.	The global full time employee count stands at 150,423 as on March 31, 2020.												
2	Please indicate the total number of employees hired on temporary / contractual / casual basis.	The contract employee count stands at 10,058 as on March 31, 2020.												
3	Please indicate the number of permanent women employees.	26.8% of the total full-time workforce at the Company is comprised of female employees.												
4	Please indicate the number of permanent employees with special-abilities.	Being an equal opportunity employer, the Company does not discriminate specially-abled people at the time of recruitment. As per Company's policies, disclosure of special ability is not mandatory. However, as on March 31, 2020, 250 specially-abled people have voluntarily declared their status.												
5	Do you have an employee association that is recognized by Management?	While the Company does not restrict any employee from being a member of any employee related association and gives all the freedom, the Company also ensures to abide by the local laws present across the geographies that it operates in.												
6	What percentage of your permanent employees are members of this recognized employee association?	All the employees are free to join any employee related associations. The Company does not prohibit them and hence this becomes a matter of employees' own choice.												
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<p>In order to provide a safe and healthy work environment free of any hassles 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 Workplace 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 labor 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 the 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. During the reporting year, the Company has received 9 complaints on sexual harassment that were classified as significant incidents for investigation, all of which were disposed and appropriate actions were taken and no complaints remain pending as of March 31, 2020.</p> <p>The details of the number of complaints received through 'Secure' channel during the reporting period are as follows:</p> <table border="1"> <tbody> <tr> <td>Number of cases pending at the beginning of the financial year 2019-20 i.e. on April 01, 2019</td> <td>Nil</td> </tr> <tr> <td>Number of cases received during financial year 2019-20</td> <td>9</td> </tr> <tr> <td>Number of cases solved during financial year 2019-20</td> <td>9</td> </tr> <tr> <td>Number of cases pending at the end of the financial year 2019-20 i.e.on March 31, 2020</td> <td>Nil</td> </tr> <tr> <td>Child labour / Forced labour / Involuntary labour</td> <td>N.A.</td> </tr> <tr> <td>Discriminatory Employment</td> <td>Nil</td> </tr> </tbody> </table>	Number of cases pending at the beginning of the financial year 2019-20 i.e. on April 01, 2019	Nil	Number of cases received during financial year 2019-20	9	Number of cases solved during financial year 2019-20	9	Number of cases pending at the end of the financial year 2019-20 i.e.on March 31, 2020	Nil	Child labour / Forced labour / Involuntary labour	N.A.	Discriminatory Employment	Nil
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8	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? a) Permanent Employees b) Permanent Women Employees c) Casual / Temporary / Contractual Employees d) Employees with Disabilities	During the financial year 2019-20, over 82,675 employees availed 4.1 million hours of training for enhancing their current skills and learning new skills. Over 34,707 employees were also trained in digital skills during this period.	
		FTE Employees' head count	150,423
		Permanent Women Employees	26.8%
		Contractual employees' headcount	10,058
		Employees with Disabilities	Being an equal opportunity employer and following the law, the Company does not mandate disclosure of disability. As on March 31, 2020, 250 persons with disabilities have voluntarily declared their status.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1	Has the Company mapped its internal and external stakeholders? Yes / No	<p>Yes, the Company has mapped its internal and external stakeholders.</p> <p>Internal Stakeholders of the Company include employees, senior leaders, managers, Board of Directors, members of HCL Foundation and the support staff.</p> <p>The external stakeholders of the Company include the communities the Company engages with, like the rural communities, urban slum communities and government schools. The external stakeholders also include customers, investors, regulatory bodies and media.</p> <p>The stakeholder engagement exercise helped in reconfirming the materiality matrix against the below mentioned four pillars:</p> <ul style="list-style-type: none"> • Responsible Business • Redefine Workplace • Renew Ecosystem • Repay Society <p>The priorities, whether high, medium or low, are based on what the stakeholders and the Company value collectively on a mutual sustainable journey. The issues that are mentioned towards the core of this matrix are of high significance to the Company and also to stakeholders. The significance of material issues is determined by the measure of two parameters:</p> <ul style="list-style-type: none"> • Importance to stakeholders • Importance to the business <p>The stakeholders' engagement at the Company is a continuous process and there has been no change in the materiality matrix identified by the Company for reporting.</p>
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Materiality Matrix:



Details of the stakeholder engagement and outcomes are provided below:

Stakeholder	Key Sustainability Priority	Sections in which priorities are addressed
Employees	Wellness and well-being, career development, learning forums, grievance channels, and hobby clubs, community volunteering	Redefine Workplace, Repay Society
Customers	Innovative IT solutions, Green IT, CSR Partnerships with customers	Responsible Business, Repay Society
Vendors and Suppliers	Adherence to quality norms and ethical procurement	Responsible Business, Redefine Workplace
Immediate Communities in which we operate	Education, employability trainings, women empowerment and health / sanitation, environmental initiatives	Repay Society
Investors and Share holders	Transparency and maintenance of high degree of disclosure levels and focus on good corporate governance	Responsible Business
NGOs and Advocacy Groups	Community development, capacity building, advocacy on human rights issues such as diversity, safety, advocacy on environment and climate change	Renew Ecosystem, Repay Society

2	<p>Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?</p>	<p>The following groups have been identified as disadvantaged, vulnerable and marginalized stakeholders:</p> <ul style="list-style-type: none"> • Rural and urban slum communities living below poverty line • Children, women and youth • People with disabilities • Senior citizens • HCL support staff
3	<p>Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.</p>	<p>The Company aims to address the needs of the disadvantaged, vulnerable and marginalized sections of the society through its CSR programs. These programs are as follows:</p> <ul style="list-style-type: none"> • HCL Samuday • HCL Grant • HCL Uday • Power of One & Diversity Council <p>Details of the above initiatives are provided under Principle 8.</p>

Principle 5: Businesses should respect and promote human rights

1	<p>Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?</p>	<p>Human Rights Policy at HCL is applicable to all the employees (both permanent and contractual) across the Company. This policy further extends to all third-party vendors and suppliers, contractors, NGOs as well as to all the affiliates and subsidiaries of the Company.</p>																
2	<p>How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?</p>	<p>The Company has received a total of 21 overall complaints from various stakeholders that include customers, vendors and employment related cases during the subject financial year.</p> <p>All the complaints have been successfully resolved as on March 31, 2020. Details provided in table below:</p> <table border="1" data-bbox="519 1114 1451 1300"> <thead> <tr> <th>Source of Complaint</th> <th>Received</th> <th>Resolved</th> <th>Pending</th> </tr> </thead> <tbody> <tr> <td>Directly from the Investors</td> <td>16</td> <td>16</td> <td>-</td> </tr> <tr> <td>Through SEBI, Stock Exchanges, etc.</td> <td>5</td> <td>5</td> <td>-</td> </tr> <tr> <td>Total</td> <td>21</td> <td>21</td> <td>-</td> </tr> </tbody> </table>	Source of Complaint	Received	Resolved	Pending	Directly from the Investors	16	16	-	Through SEBI, Stock Exchanges, etc.	5	5	-	Total	21	21	-
Source of Complaint	Received	Resolved	Pending															
Directly from the Investors	16	16	-															
Through SEBI, Stock Exchanges, etc.	5	5	-															
Total	21	21	-															

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1	<p>Does the policy relate to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?</p>	<p>The Company has a dedicated Environmental Policy that serves as the guideline for developing initiatives for protecting and restoring environment.</p> <p>This Policy is applicable across the Company and its subsidiaries for achieving excellence in environmental performance. This Policy also applies to the suppliers, contractors and all other partners across the value chain for addressing the global environmental challenges.</p>
2	<p>Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.</p>	<p>Yes, HCL being environmentally conscious and socially responsible organization follows a thoroughly responsible approach towards the environmental causes and has thus undertaken various initiatives internally that help reduce the carbon footprint, pollution and help maintain energy conservation. Some examples include HCL transportation initiatives of cab pooling, CNG driven cabs, using UC&C tools, etc. The details of many other such initiatives can be found in the next set of responses of the Report. HCL promotes Reduce, Reuse, Recycle philosophy which reflects its Go-Green approach.</p> <p>Please refer to the following link for policy context</p> <p>https://www.hcltech.com/socially-responsible-business</p>

3	<p>Does the Company identify and assess potential environmental risks? Y / N</p>	<p>The Company identifies and assesses potential environment risks in all areas of its operations. The effective Environmental Management System is in place which is in line with ISO 14001 Standard's requirements.</p>
4	<p>Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so.</p> <p>Also, if Yes, whether any environmental compliance report is filed?</p>	<p>Not Applicable</p>
5	<p>Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?</p>	<p>Yes, the Company strives to improve energy efficiency, switch to renewable energy and promote clean technology. Given below is a detailed list of initiatives taken in this regard.</p> <p>As a responsible corporate, the Company owns accountability for the future and plays an imperative role in addressing global challenges in the areas of energy, climate change and sustainability. The Company has made a commitment to conserve the environment by adopting “Go Green Initiatives” and be responsible for Energy & Water Management in its areas of operations, and perform efficiency by consuming Energy & Water in an efficient, economical, and environment friendly manner throughout all its premises.</p> <p>To conserve the environment by adopting “Go Green Initiatives” and increase operational efficiency, the Initiatives and Good Practices attributed towards reduction in carbon footprint during the financial year 2019-20 are described below:</p> <ol style="list-style-type: none"> 1. Renewable Power Purchase - In continuation with our commitment to reduce “carbon footprint”, we have procured renewable power equal to 26,460 MWH for our major campuses during the year. The source of this power was wind, solar and hydel based electricity. This much of Green Power Purchase has enabled the Company to reduce carbon footprint of 21,961 tCO₂* (Ton of Carbon Emission) over the other available power resources like Grid and Captive. Renewable Power is contributing to 10.38% of overall PAN India YTD consumption. 2. High Side - Chiller Operational Performance Improvement - Chiller Performance improved in all major facilities due to the improvement in the effectiveness of cooling tower with the help of auto chemical dozing, fills replacement and condenser descaling activities which has helped the Company to save 1,391 MWH of energy during the year and has also helped in reducing the carbon footprint by 1,154 tCO₂* (Ton of Carbon Emission). Water cooled chillers are installed at most of the locations which consume lesser power than air cooled chillers while air cooled chillers are installed only in water deficit areas. The auto chemical dozing system installed in SEZ Noida campus has also helped in saving significant amount of water. 3. Low Side - HVAC Operational Performance Improvement - Low side HVAC systems have been implemented in all major facilities including energy efficient unit installation, VAV renovation, defective coils and filter replacement, increase of temperature set point and other related operational controls that has helped the Company in saving 2,136 MWH of energy during the year and has also helped in reducing the carbon footprint by 1,773 tCO₂* (Ton of Carbon Emission). VFDs (Variable Frequency Drives) are also being used in AHUs which result in lower power consumption by regulating the frequency of the motor which is based on the return air temperature feedback, an indicator of the occupancy and heat load. In critical areas like data centers and server rooms where dual circuit air-conditioning (precision and chilled water based) is installed, a chilled water based HVAC system is preferred during regular operations.

		<p>4. Energy Efficient Lighting and Control - LED lights are being used in all the areas including ODCs and common areas as well as in the basements of all major campuses. Motion sensors which operate on occupancy and movement and use daylight harvesting feature have also been installed in these areas, which has resulted in optimum usage of lights and energy conservation.</p> <p>Energy savings accrued during the year towards “Interact LED, Non-Interact LED and Efficient Lighting Controls” has led to saving of 2,495 MWH of absolute energy consumption during the year which has helped the Company to reduce 2,071 tCO₂e* (Ton of Carbon Emission) of carbon footprint.</p> <p>LED lighting implemented under Project URJA in FY16 has continued to save energy and contributed significantly in saving 2,174 MWH of absolute energy consumption during the year with reference to the base year which is being tracked till the payback period.</p> <p>5. Effective Utilization of UPS - Effective utilization of UPS systems in the shortlisted facilities has been realized by installing energy efficient unit as per demand and by increasing the efficiency of existing UPS systems through shutdown of over capacitated UPSs. This has enabled the Company to save 721 MWH of absolute energy consumption during the year and has helped reduced 598 tCO₂e* (Ton of Carbon Emission) of carbon footprint.</p> <p>6. Elevator and STP Operation optimization - Revised operating schedule of lifts has been adopted during weekends in major campuses. STP blower retrofit implemented in one of the Bangalore region facilities also continued to give energy saving. This helped the Company to save 17.5 MWH of absolute energy consumption in this fiscal Year and to reduce 14.5 tCO₂e* (Ton of Carbon Emission) of carbon footprint.</p> <p>7. Solar Water Heating - Solar Hot water of 250 LPD capacity installed in the month of February, 2019 at one of the Madurai region facilities continued to preserve 3.2 MWH of electric energy required from conventional heating to heat water. Energy saving was worked out in comparison to conventional method of electrical heating and was tracked till one year of completion of the activity.</p> <p>8. Water Conservation - Auto chemical dosing, use of treated sewage water for flushing, use of landscaping and soft water applications, use of 3 LPM water aerators in hand wash taps, rainwater collection and its usage, all has led to the conservation of ground water of 87,163 KL during the year.</p>
6	<p>Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?</p>	<p>Yes, the emissions and waste generated at the Company are within the permissible limits.</p> <p>An annual report of the total emission and total waste generated by the Company is submitted to both CPCB and SPCB.</p>
7	<p>Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.</p>	<p>The Company has not received any show cause or legal notices from CPCB or SPCB during the financial year 2019-20.</p>

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

<p>1</p>	<p>Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.</p>	<p>Yes, the Company is a member of various Industry Associations / Chambers and bodies, of which the first mention comes of:</p> <p>World Economic Forum (WEF)</p> <p>Ever since the Company has joined WEF at Davos, HCL has always made its presence felt at the global platform of Thought Leadership, Innovation and Technological Dialogues towards the Humanitarian and Socio-Economic World Order. The latest exaltation at WEF witnessed HCL launching its Vision 2030 and host the choicest of the Global Leaders at the HCL Pavilion.</p> <p>NASSCOM</p> <p>HCL has been one of the founding members of National Association of Software Services Companies since 1999 and has extended its vitality towards the apex Chamber of Software Service Companies in India as well as across its Global Trade contours.</p> <p>Confederation of Indian Industry (CII)</p> <p>The Company has remained members of CII from 1999, thereby abiding by the rules and regulations that cover the operations of CII as the apex chamber of commerce in India.</p> <p>In addition, the Company is also an active member of most of the country specific trade bodies and associations like IGCC, IFCCI, AIMA and works very closely with DIT, Invest India, Sweden Trade and Invest, Invest in Denmark, Australian Trade and Investment Commission.</p> <p>Forbes Technology Council</p> <p>HCL executive Anand Birje is an annual member and contributor to the Forbes Technology Council. The Council is an invitation-only group that promotes the collective mindshare of leading senior executives as major companies.</p> <p>WSJ CMO Network</p> <p>HCL is an annual member on behalf of its CMO. The WSJ CMO Network connects leaders of the world’s most influential brands to discuss what —and who— is changing the industry, then plan the path forward. The group involves CMOs of Fortune 500 companies as well as the leading journalists and editors of the WSJ.</p>
<p>2</p>	<p>Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y / N. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).</p>	<p>Yes, the Company believes in the public good and rightly so as part of its responsible socio-economic behavior that is carried forward towards various platforms, advocacy channels and forums is by way of lending Company’s ideas, visions, expertise and thought leadership.</p> <p>The Company has aligned itself with relevant organizations who work in the larger business / social / environmental and community interests. In addition, the Company also creates and owns innovative pieces of work and solutions.</p>

Principle 8: Businesses should support inclusive growth and equitable development

<p>1</p>	<p>Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.</p>	<p>Yes, there are 4 flagship programs of HCL aimed at supporting inclusive growth and equitable development of the society. These programs are as follows: i) HCL Samuday; ii) HCL Grant; iii) HCL Uday; iv) Power of One</p> <p>i) HCL SAMUDAY</p> <p>A rural development initiative, HCL Samuday, was launched in 2015 with an aim to develop a sustainable, scalable, and replicable model – source code for economic and social development of rural areas. Currently implemented in three blocks of Hardoi district in Uttar Pradesh, the program covers 164 Gram Panchayats, comprising of 765 villages and 90,000 households totalling a population of 6,00,000 people.</p> <p>Samuday, through its interventions across six verticals for holistic rural development – agriculture, education, health, infrastructure, livelihood, and WASH (Water, Sanitation, and Hygiene), has so far been able to make the following changes on the ground:</p> <ul style="list-style-type: none"> • benefitted 39,000+ farms through various agriculture-related interventions; increased access to Nutritional Food Security by establishing Nutrition Gardens at 2,700+ households with around 13,000 members; and supported establishment of a Farmer Producer Company with 2,129 shareholders and it has so far crossed business turnover of 6,85,00,000. • Ensuring improved school education for 55,000+ children in the project area; 326 Happy Schools with effective school environment, ICT-enabled learning, assertive community participation, and improved teaching learning processes through happy school intervention; and 48,000+ adults enrolled in adult literacy batches. • Over 20,000 pregnant women and 17,000+ children provided with improved care; 12,482 children (in the age group: 6 months – 5 years) screened for malnutrition; 1,277 SAM and SUW children treated in nutrition camps; institutional delivery rate increased from 69% to 87%; early registration rate increased from 22% to 50%; and full immunization rate increased from 29% to 69%. • Brought renewable energy in the form of electricity to 39 villages through 30 solar mini-grids; 125 schools supported with necessary energy infrastructure through installation of rooftop solar PV systems; 12 public health facilities strengthened to run 24*7 on electricity; 52.7 km streets illuminated ensuring safety and security in villages; and 860 kWp of renewable energy infrastructure created. • About 9,000+ dairy farmers with increased income, 11,800 litres (avg.) of milk procured daily; 2,300+ households supported for backyard poultry unit development, and 2,100+ households’ assets enhanced through goat rearing intervention; 995 Self-Help Groups comprising of around 11,500 women strengthened, with 4,000 women connected to economic activities; and facilitated skill development of 900+ youth on various trades. • Almost 60,500+ households practicing safe sanitation; 11,000+ households availing safe and piped drinking water supply; and 10,000 KL of waste water being managed across 30 habitations. <p>ii) HCL GRANT</p> <p>HCL Grant is one of the biggest and most coveted institutionalized CSR grants in India that aims to recognize the rise of the Fifth Estate - the Non-Governmental Organizations (NGOs) and support their breakthrough projects reaching out to the rural communities in the country.</p> <p>In the fifth edition, HCL Grant received over 5,000 registrations from NGOs representing all states of India in the categories of Environment, Health and Education. The final 3 recipients of the fifth edition of HCL Grant were selected after robust field assessment, due-diligence and deliberations at the Sub-Jury and Jury round. The announcement was made during the HCL Grant Ceremony held on February 27, 2020 the presence of Padma Bhushan, Mr. Kapil Dev, a legend in the global world of cricket and former captain of the Indian Cricket Team.</p> <p>The HCL Grant Edition V Winners are: Education Category - Bal Raksha Bharat (Save The Children India); Health Category – Operation Asha; and Environment Category – Under The Mango Tree Society. So far, the HCL Grant has committed ₹68 Crore (US\$9.46 Million) through current HCL Grant Projects with an ambition to reach 17,20,028 people in 8,598 villages in 70 districts (11 aspirational) across 18 states and 2 union territory of India of which the projects have already covered 5,75,244 beneficiaries.</p>
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iii) HCL UDAY

With a vision of clean, green, healthy and empowered communities, HCL Foundation works to break the cycle of urban poverty, in alignment with sustainable development goals, through its integrated urban development program – HCL Uday. Defining Uday’s approach is its intrinsic belief that urban poor aspire to a life of dignity and self- respect. Through this program, HCL Foundation creates these opportunities through carefully designed strategies that speak both to their environment and to the ambitions of the community. HCL employee engagement and participation is a key lever that spans across all programs.

Currently, HCL Uday is reaching out to 440,000+ people in 11 cities of India

In FY 2019-20, 1,33,550 people benefited through the education initiatives of HCL Foundation that focus on early childhood care and development of children below six years, bridge and remediation support to out of school children living in difficult circumstances, comprehensive technology-based quality enhancement of government schools, adult literacy, and life-skill-based gender transformative programs for youth and adolescents. Through the skilling initiatives, 9,342 youth were trained in various trades, such as mechanical, ITES/CRM, fashion designing, and nursing. 2,49,243 people benefited through health, nutrition, and WASH interventions that include monthly health camps, weekly checkups, community healthcare programs, mass sanitation, and cleanliness drives. Under the Environment pillar of HCL Uday, we further strengthened efforts to protect, restore and enhance diminishing green cover, biodiversity, waterbodies and responding to climate change in a holistic manner. Cumulatively 103,284 trees were planted in schools, residential spaces and public spaces, and at the urban forest sites known as Uday Upvan and 67 water bodies were also taken up for restoration and rejuvenation. The Environment vertical is now known as ‘Harit- the Green Spaces Initiative’.

iv) POWER OF ONE

Power of One (Po1) is the backbone for our employee led Corporate Social Responsibility, and one of the key programs of HCL Foundation. Power of One was introduced with the idea that a small contribution can make a huge difference in people’s lives and can go a long way in making a significant impact in the society. Our HCL Community Champions have shown great commitment towards all volunteer-based activities of HCL Foundation and have clocked over **1,13,958 volunteer hours** this year. Additionally, **39,723 HCLites** are contributing ₹1/2/5 per day under the Po1 payroll giving program in India. The funds collected through Power of One are used to support meritorious students through long term scholarships for excellence in academics and sports under the My Scholar initiative. These students belong to disadvantaged backgrounds and are family members of HCL’s support staff or part of HCL Foundation supported schools and communities.

Through this initiative, scholars get an opportunity to develop leadership skills, get mentoring and coaching for their subjects and career counselling. This year, **350 scholarships worth 79.8 lakhs** fully powered by the Po1 contribution of HCLites were given out to meritorious students for excellence in academics and sports.

New Initiative: Clean NOIDA - Clean NOIDA, an HCL Foundation initiative started in 2019, carries out works and services to implement effective Solid Waste Management in Noida city in partnership with Noida Development Authority. This initiative aims to transform the city into a litter and waste free region, covering 90 Residential Welfare Associations (RWAs) and 64 urban villages with major focus on capacity building of relevant stakeholders, intensive behaviour change campaigns, awareness drives and technological solutions.

HCL Foundation in GEOs

1. One of the flagship programs of HCL Foundation, Power of One was enabled in India and US until the beginning of this fiscal year. Along with a ramp up plan in progress for Po1 in both India and US, Power of One is now enabled in Great Britain, Netherlands, Germany, Poland, with plans of launch in Australia. Employees in these locations are making voluntary contributions in the denominations of 1/3/5/10 per month for each location.

	<p>2. A) <u>Great Britain</u></p> <ul style="list-style-type: none"> - Prince's Trust – Get Started with Technology series - Mobile application development and digital learning skills with the aim of making young adults employable and job-ready through skills training opportunities - Manchester United and Prince's Trust collaboration for promotion of Sports - 100+ employees participated in the month long Fund Raising program – Future Steps. GBP 4,060 raised to support the disadvantaged youth at Prince's Trust <p>B) <u>South Africa</u></p> <ul style="list-style-type: none"> - University of Johannesburg - Promotion of digital literacy through an inclusive 64 seater computer lab - Nelson Mandela Foundation - Sponsoring Mandela Day Library Project as part of Literacy program in local school. - Two schools - Thuthuzekani Primary School & Elethu Themba Public School <p>C) <u>The United States:</u> HCL America Inc. (HCLA) is supporting the following organizations in the USA:</p> <table border="1" data-bbox="608 733 1433 1108"> <tr> <td>Susan G. Komen</td> <td>Women's walk/run for Cary GDC employees</td> </tr> <tr> <td>Relay For Life</td> <td>Walk/run for Cary GDC employees</td> </tr> <tr> <td>Newport Robotics Group</td> <td>Stem program – education of youth through technology</td> </tr> <tr> <td>InspireNC</td> <td>Stem program – education of youth through new ways to be innovative</td> </tr> <tr> <td>Habitat for Humanity of Wake County</td> <td>This will sponsor home build for Cary GDC employees</td> </tr> <tr> <td>Rise Against Hunger</td> <td>Food packaging events across GDCs</td> </tr> <tr> <td>Imagine Beyond Foundation</td> <td>Autism walk for Frisco employees</td> </tr> <tr> <td>SOS Children's Villages</td> <td>Youth education and medical care</td> </tr> </table> <p>D) <u>Australia – sponsor of Breast Cancer awareness initiatives through the Glen McGrath Foundation</u></p> <ul style="list-style-type: none"> o Women Lead Chapter 3 <p>E) <u>Sweden: Women Lead Chapter 1 launched</u></p> <ul style="list-style-type: none"> o Sponsoring of Girls Ice-hockey team 	Susan G. Komen	Women's walk/run for Cary GDC employees	Relay For Life	Walk/run for Cary GDC employees	Newport Robotics Group	Stem program – education of youth through technology	InspireNC	Stem program – education of youth through new ways to be innovative	Habitat for Humanity of Wake County	This will sponsor home build for Cary GDC employees	Rise Against Hunger	Food packaging events across GDCs	Imagine Beyond Foundation	Autism walk for Frisco employees	SOS Children's Villages	Youth education and medical care
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<p>2 Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?</p>	<p>All the programmes and projects are undertaken through HCL Foundation in collaboration with HCL employees, customers and external NGOs. For details, please refer https://www.hclfoundation.org/</p>																
<p>3 Have you done any impact assessment of your initiative?</p>	<p>Yes, HCL Foundation carries out impact assessment of various initiatives undertaken by it. For the purpose of assessing the impact of these initiatives, HCL Foundation has identified various indicators under different focus areas. It has also developed various tools and monitoring mechanisms to ensure the achievement of these indicators. Stakeholders' engagement and consultation is also taken during all such impact assessments.</p> <p>Funds Utilization Certificates (FUC) and Audit Reports are two primary instruments used to monitor the expenditure of the projects undertaken. The quarterly reports and half-yearly reports furnished by Company's implementing partners are studied carefully and verified through field visits by field and programme officers. Case studies are collected for all the projects and informal feedback sessions are held with the beneficiaries to understand their satisfaction levels. Besides this, members of the senior management of the Company undertake surprise visits to understand the overall impact of community initiatives. The periodic field audits are supplemented by the regular interaction between HCL volunteers and the community members. All these checks help HCL Foundation in understanding gaps in the implementation of the community initiatives and to timely bridge these identified gaps.</p>																

		<p>During the reporting period, the Company engaged an external agency for evaluation of its urban community development programs. The objectives of the external evaluation were:</p> <ul style="list-style-type: none"> • To appreciatively enquire all interventions under the urban community development program; • To understand the approaches and processes undertaken by the partner NGOs in implementing these interventions; and • To evaluate the impact created by these interventions. <p>The research process consisted of primary and secondary research involving interviews with HCL Foundation, senior management, project staff, partner NGOs, nodal officer in charge of implementation, external stakeholders and beneficiaries. It further involved evaluation of project documents of HCL Foundation and partner NGOs. The findings were presented to HCL Foundation for making necessary changes in the intervention and for future reference.</p>
4	<p>What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?</p>	<p>During the year, the Company has contributed ₹174.99 crore for CSR activities. For details of the expenditure, refer to Annexure 4 of the Director's Report which forms part of this Annual Report. The community development initiatives undertaken by HCL Foundation are aligned to Schedule VII of the Companies Act, 2013, sustainable development goals and various national missions.</p> <p>List of all such community initiatives undertaken by HCL Foundation are given below:</p> <ul style="list-style-type: none"> • Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water; • Promoting education including special education and skill development trainings for children, women, elderly and the differently abled besides livelihood enhancement projects; • Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens; • Undertaking measures for reducing inequalities faced by socially and economically backward groups; • Ensuring environmental sustainability and ecological balance, protecting flora and fauna, promoting animal welfare and agro-forestry, conserving natural resources and maintaining quality of soil, air and water; • Protecting national heritage, art and culture including restoration of monuments and sites of historical importance and works of art, setting up public libraries, promoting and developing traditional arts and handicrafts; • Undertaking measures for the benefit of armed forces veterans, war widows and their dependents; • Providing trainings for promotion of rural sports, nationally recognized sports, Paralympics' sports and Olympic sports through HCL Uday and HCL Samuday; and • Undertaking rural development projects through HCL Grant and HCL Samuday
5	<p>Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.</p>	<p>The objective of the community initiatives undertaken by HCL Foundation is to create positive and sustainable impacts in the lives of the communities in the long run. This is possible only when the communities adopt the initiatives of HCL Foundation and incorporate them in their daily lives. Various measures taken by the Foundation to facilitate this successful adoption of community initiatives are:</p> <ul style="list-style-type: none"> • Improving community ownership through identification and capacity building of community leaders for sustaining and perpetuating these initiatives; • Linking available systems like government initiatives and plans with HCL's community initiatives by promoting convergence; and • Developing action plan to promote community awareness and exposure, building road map for creating positive impact, engaging HCL volunteers, creating manuals for various sectors etc.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1	What percentage of customer complaints / consumer cases are pending as on the end of financial year?	The Company has 8 customer cases open as on March 31, 2020.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information).	Not Applicable
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	<p>The Company has not registered any significant complaints in the said category during the financial year 2019-20.</p> <p>Besides, the robust mechanism of the Company's internal checks and balances places an un-denying responsibility on the leadership and teams to drive the soul of the policies on sustainable basis. This reduces the possibility of any pilferages.</p>
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	<p>Yes, the Company completely understands the criticality and significance of the knowledge pertaining to its presence, markets, key market drivers, customer line-up and their satisfaction. It is henceforth, of utmost importance for the Company to place extreme and necessary imperatives on its consumer segment.</p> <p>The Company has Customer Advisory Council that meets twice a year to deliberate upon and present their recommendations on Company's strategies. The Company has been awarded with Forrester Groundwell Award in the "Business-to-Business Embracing Category". The surveys that we do are carried out by the 3rd party.</p> <p>It is indeed a matter of pride for the Company that in the subject financial year, HCL concluded the annual CSAT for over 500+ key accounts covering over 3000+ global customers.</p>

Standalone Ind AS Financial Statements

INDEPENDENT AUDITORS’ REPORT

To the Members of HCL Technologies Limited

Basis for Opinion

Report on the Audit of the Standalone Financial Statements

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Opinion

We have audited the standalone financial statements of HCL Technologies Limited (“the Company”), which comprise the Standalone Balance Sheet as at 31 March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as ‘the standalone financial statements’).

Key Audit Matters

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue Recognition on fixed price contracts (See note 1(f) and 3.19 to the standalone financial statements)	
<p>Revenue and onerous obligation in respect of open fixed price contracts involves critical estimates as there is an inherent and presumed fraud risk involved around the recognition of revenue, given the customized and complex nature of these contracts.</p> <p>Estimation of effort is a critical estimate to determine revenue and liability for onerous obligations for open fixed price contracts. The estimate has a high inherent uncertainty as it requires consideration of progress of contracts, efforts incurred till date and efforts required to complete the remaining contract performance obligations.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • evaluating the design, implementation and operating effectiveness of internal controls relating to estimation of efforts required and recording of efforts incurred to complete the remaining contract performance obligations. • obtaining an understanding of the systems, processes and controls implemented by management for recording and computing revenue and associated contract assets, and unearned and deferred revenue balances. • involving our Information Technology (‘IT’) specialists to assess the design, implementation and operating effectiveness of key IT controls over the IT environment in which business systems operate, including IT general controls and application controls pertaining to allocation of resources and budgeting systems which prevents unauthorized changes to recording of costs incurred and controls relating to the estimation of contract costs required to complete the project. • selecting specific/statistical samples of contracts and testing revenue recognition and estimation of onerous obligations, if any, by performing the following procedures: <ul style="list-style-type: none"> - evaluating identification of performance obligation and allocation of transaction price to each performance obligation; - performing retrospective review of the costs incurred with estimated costs to identify significant variations and verifying variations have been considered in estimating the remaining costs to complete the contract; and - assessing the appropriateness of work in progress (contract assets) on balance sheet date by verifying the underlying information and identify possible changes in estimated costs to complete the remaining performance obligations.

The key audit matter	How the matter was addressed in our audit
Recognition and Measurement of Intangibles in Acquisition of Select IBM Software products (See note 1(i) and 3.3 to the standalone financial statements)	
<p>The Company completed the acquisition of Select IBM Software products on 30 June 2019 and accounted for this acquisition as a business combination as per Ind AS 103.</p> <p>Accounting for business combinations can involve judgments in relation to the assessment of the fair values of assets and liabilities that are recognised on acquisition, particularly the allocation of purchase consideration to identified intangibles assets.</p> <p>Fair value of intangible assets was determined by the Company with the assistance of an external valuation expert using various valuation models, which were applied according to the nature of assets being measured.</p> <p>This measurement was dependent on estimates of future cash flows which were based on the Company's internal forecasts as well as the cost of capital and obsolescence rate applied and is subject to uncertainty due to degree of judgment involved.</p> <p>There was complexity and judgment involved in recognition and fair value measurements of intangible assets identified and recognized in the business acquisition made by the Company.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • testing the design and operating effectiveness of the Company's key controls over accounting for identified intangibles assets in a business combination. • inspecting documentation pertaining to the acquisition to understand the key terms and conditions of the acquisition and assessing the proposed accounting treatment for the identified intangibles in relation to the Company's accounting policies and relevant Ind AS. • assessing the competence, capabilities and objectivity of external experts engaged by the Company and gaining an understanding of the work of the experts by evaluating the valuation reports. • evaluating the reasonableness of Company's key assumptions such as discount rate, future cash flows, obsolescence and period of amortization. Further, we assessed provisional purchase price allocation and the recognition and measurement of acquired intangible assets based on our knowledge of the Company and the industry. • using our internal valuation specialists to evaluate the appropriateness of the methodology and key assumptions used in allocation of the purchase price to acquired intangible assets; and • assessing the adequacy of the Company's disclosures in respect of the acquisition in accordance with the relevant accounting standards.
Evaluation of tax positions and litigations (See note 1(g) and 3.25 to the standalone financial statements)	
<p>The Company is required to estimate its income tax liabilities in accordance with the tax laws applicable in India. Further, there are matters of interpretation in terms of application of tax laws and related rules to determine current tax provision and deferred taxes.</p> <p>The Company has material tax positions and litigations on a range of tax matters. This requires management to make significant judgments to determine the possible outcome of uncertain tax positions and litigations and their consequent impact on related accounting and disclosures in the standalone financial statements.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • testing the design and operating effectiveness of the Company's key controls over identifying uncertain tax positions and matters involving litigations/disputes. • obtaining details of tax positions and tax litigations for the year and as at 31 March 2020 and holding discussions with designated management personnel. • assessing and analysing select key correspondences with tax authorities and inspecting external legal opinions obtained by management for key uncertain tax positions and tax litigations. • evaluating underlying evidence and documentation to determine whether the information provides a basis for amounts reserved / not reserved in the books of account. • involving our internal tax specialists and evaluating management's underlying key assumptions in estimating the tax provisions and estimate of the possible outcome of tax litigations; and • in respect of tax positions and litigation, assessing the computation of provisions and consequent impact on related accounting and disclosures in the standalone financial statements.
Adoption of Ind AS 116, Leases (See note 1(l) and 3.28(a) to the standalone financial statements)	
<p>The Company has adopted Ind AS 116, Leases, with effect from 1 April 2019. The Company has chosen to apply Ind AS 116 using the modified retrospective approach. Therefore, the Comparative information has not been adjusted and continues to be reported under Ind AS 17.</p> <p>The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • testing the design and implementation of controls pertaining to recognition and measurement of leases under Ind AS 116; • evaluating the method of transition and related adjustments;

The key audit matter	How the matter was addressed in our audit
<p>As a result of the Company's adoption of this new standard, several judgements have been applied and estimates made in determining the impact of the standard on the financial statements.</p> <p>A significant data extraction exercise was undertaken by management to summarize the leases such that the respective inputs could be uploaded into management's model. Our key audit matter was focused on the following areas:</p> <ul style="list-style-type: none"> - The underlying data of leasing arrangements identified and used to calculate the transitional impact under Ind AS 116 may be incomplete and/or inaccurate; - Specific assumptions applied to determine the lease term and discount rates may be inappropriate; and - The disclosures in the standalone financial statements may not be in accordance with the applicable financial reporting framework. 	<ul style="list-style-type: none"> • testing completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and lease liabilities, and reviewing the residual rent expenses, security deposits and other expenses to identify potential lease contracts; • verifying the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other related information, and checked the accuracy of Ind AS 116 calculations for each lease sampled, through recalculation of the expected Ind AS 116 adjustment; • assessing the appropriateness of the discount rates applied in determining lease liabilities with inputs from third parties and evaluated the reasonability of discount rates through involvement of our specialist, on sample basis; and • assessing the presentation and disclosures, including those relating to transition within the standalone financial statements, with the applicable financial reporting framework.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Attention is drawn to the fact that the corresponding figures for the year ended 31 March 2019 are based on the previously issued standalone financial statements of the Company that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 9 May 2019.

Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 purposes 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other

comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 Ind AS specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 3.33 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN.:20091765AAAABF3165

Place: Gurugram, India
Date: 7 May 2020

Annexure A referred to in our Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of HCL Technologies Limited on the standalone financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification by management is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties included in property, plant and equipment are held in the name of Company. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) Inventories lying with Company have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmation.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not entered into any transactions related to loans, investments, guarantees and securities to which the provisions of Section 185 of the Act is applicable. Further, according to the information and explanations given to us and based on our audit procedures performed, we are of the opinion that provisions of section 186 of the Act have been complied in respect of loan, guarantees and investments given by the Company. There are no securities provided by the Company as specified under the section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India, the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provisions of paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us

and based on our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Goods and Service tax, duty of Customs, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-Tax, Goods and Service tax, duty of Customs, Cess and other 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 of Income-tax, Service tax, Sales tax, Goods and Service Tax, duty of Customs, duty of Excise and Provident Fund which have not been deposited by the Company with the appropriate authorities on account of any disputes as at 31 March 2020, are as follows:

Name of the Statute	Nature of the dues	INR** (in crores)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	485.20	Financial Year 2003-04 to Financial Year 2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	132.81	Financial Year 2003-04 2004-05 and 2011-12 to Financial Year 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	11.30	Financial Year 2002-03 to Financial Year 2014-15	Hon'ble Supreme Court of India
Income Tax Act, 1961	Income Tax	1.33	Financial Year 2000-01 2002-03 and 2003-04	High Court of Delhi
Karnataka Value Added Tax Act, 2003	Value Added Tax	0.29	Financial Year 2013-14	The Joint Commissioner (Appeals) Bangalore
Bombay Sales Tax Act, 1959	Value Added Tax	0.62	Financial Year 2004-05	Joint Commissioner (Appeals), Mumbai
Maharashtra VAT Act, 2002	Value Added Tax	0.48	Financial Year 2009-10 and 2011-12	Joint Commissioner (Appeals), Mumbai
Goods and Service Tax Act, 2017	Goods and Service Tax	4.35	April 2017 to September 2018	Additional Commissioner of Goods and Service Tax
Customs Act, 1962	Duty to Customs	0.27	Financial Year 2006-07	Common Adjudicating Authority (Directorate of Revenue Intelligence)
Customs Act, 1962	Duty to Customs	2.21	Financial Year 1997-98 to Financial Year 1999-00	Office of Assistant Commissioner of Customs

Customs Act, 1962	Duty to Customs	0.59	Financial Year 2003-04 to Financial Year 2013-14	Customs, Excise, Service Tax Appellant Tribunal, Maharashtra
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	0.79	Financial Year 2006-07	High Court of Allahabad
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	1.00	Financial Year 2005-06 to Financial Year 2013-14	Commissioner (Appeals)
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	0.70	Financial Year 2005-06 to Financial Year 2011-12	Customs, Excise, Service Tax Appellant Tribunal, Allahabad
Central Board Trustees	Provident Fund	4.30	Financial Year 2007-08 to Financial Year 2013-14	Bombay High Court

**Amount represents amount demanded in demand orders and excludes interest and penalty as may be applicable thereon.

Total amount deposited under protest/adjusted against refunds in respect of Income tax is ₹ 154.6 Crores, Duty to Customs is ₹ 0.69 Crores and Provident Fund is ₹ 0.89 Crores.

(viii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions or government or dues to debenture holders during the year.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to information and explanations given to us and based on our examination of the records of the

Company, the managerial remuneration has been provided/paid by the Company in accordance with the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on of our examination of the records of the Company, all the transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN.:20091765AAAABF3165

Place: Gurugram, India
Date: 7 May 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of HCL Technologies Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of HCL Technologies Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence

about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN.:20091765AAAABF3165

Place: Gurugram, India
Date: 7 May 2020

Standalone Balance Sheet as at 31 March 2020
(All amounts in crores of ₹)

	Note No.	As at	As at
		31 March 2020	31 March 2019
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	3,541	3,507
(b) Capital work in progress		311	212
(c) Right-of-use assets	3.28	1,030	-
(d) Goodwill	3.2	6,410	550
(e) Other intangible assets	3.3	11,640	7,178
(f) Financial assets			
(i) Investments	3.4	4,207	3,808
(ii) Loans	3.5	-	355
(iii) Others	3.6	308	309
(g) Deferred tax assets (net)	3.25	1,997	2,107
(h) Other non-current assets	3.7	541	723
(2) Current assets			
(a) Inventories	3.8	14	18
(b) Financial assets			
(i) Investments	3.4	6,668	2,002
(ii) Trade receivables	3.9	7,504	6,245
(iii) Cash and cash equivalents	3.10(a)	1,291	4,523
(iv) Other bank balances	3.10(b)	-	1,750
(v) Loans	3.5	3,391	1,244
(vi) Others	3.6	3,930	2,275
(c) Current tax assets (net)		2	1
(d) Other current assets	3.11	730	649
TOTAL ASSETS		53,515	37,456
II EQUITY			
(a) Equity share capital	3.12	543	271
(b) Other equity		36,753	30,168
TOTAL EQUITY		37,296	30,439
III LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	160	32
(ii) Lease liabilities	3.28	677	-
(iii) Others	3.14	553	1
(b) Provisions	3.15	775	553
(c) Other non-current liabilities	3.16	113	52
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	3.17		
1. Dues of micro enterprises and small enterprises	3.35	-	2
2. Dues of creditors other than micro enterprises and small enterprises		2,273	2,365
(ii) Lease liabilities	3.28	155	-
(iii) Others	3.14	8,828	2,301
(b) Other current liabilities	3.18	1,761	901
(c) Provisions	3.15	169	141
(d) Current tax liabilities (net)		755	669
TOTAL EQUITY AND LIABILITIES		53,515	37,456
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

FOR B S R & Co. LLP
Chartered Accountants
Firm's Registration No. : 101248W/W-100022

Vikram Advani
Partner
Membership Number: 091765

Gurugram, India
7 May 2020

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
Chairman and
Chief Strategy Officer

Prateek Aggarwal
Chief Financial Officer

Noida (UP), India
7 May 2020

S. Madhavan
Director

Prahlad Rai Bansal
Deputy Chief Financial Officer

C. Vijayakumar
President and
Chief Executive Officer

Manish Anand
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in crores of ₹)

		Note No.	Year ended	Year ended
			31 March 2020	31 March 2019
I	Revenue			
	Revenue from operations	3.19	32,606	26,012
	Other income	3.20	587	805
	Total income		33,193	26,817
II	Expenses			
	Purchase of stock-in-trade		144	142
	Changes in inventories of stock-in-trade	3.21	4	22
	Employee benefits expense	3.22	9,916	8,079
	Finance costs	3.23	238	16
	Depreciation and amortization expense		1,952	1,276
	Outsourcing costs		7,207	4,901
	Other expenses	3.24	2,555	2,450
	Total expenses		22,016	16,886
III	Profit before tax		11,177	9,931
IV	Tax expense	3.25		
	Current tax		1,965	2,354
	Deferred tax charge (credit)		243	(608)
	Total tax expense		2,208	1,746
V	Profit for the year		8,969	8,185
VI	Other comprehensive income	3.26		
(A)	(i) Items that will not be reclassified to statement of profit and loss		(81)	13
	(ii) Income tax on items that will not be reclassified to statement of profit and loss		18	(3)
(B)	(i) Items that will be reclassified subsequently to statement of profit and loss		(516)	18
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		91	(4)
VII	Total other comprehensive income		(488)	24
VIII	Total comprehensive income for the year		8,481	8,209
	Earnings per equity share of ₹ 2 each	3.27		
	Basic (in ₹)		33.06	29.76
	Diluted (in ₹)		33.05	29.75
Summary of significant accounting policies			1	

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

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Standalone Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in crores of ₹ except share data and as stated otherwise)

	Equity share capital		Reserves and Surplus						Other equity					Total other equity
	Number of Shares	Share capital	Retained earnings	General reserve	Securities premium	Capital redemption reserve	Share based payment reserve	Special economic zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve	Debt instruments through other comprehensive income			
Balance as at 1 April 2018	1,392,246,384	278	24,302	2,387	5	120	7	12	310	5	137	-	27,285	
Profit for the year	-	-	8,185	-	-	-	-	-	-	-	-	-	8,185	
Other comprehensive income (refer note 3.26)	-	-	10	-	-	-	-	-	-	(22)	34	2	24	
Total comprehensive income for the year	-	-	8,195	-	-	-	-	-	-	(22)	34	2	8,209	
Dividend of ₹ 8 per share (including tax on dividend of ₹ 222 crores)	-	-	(1,321)	-	-	-	-	-	-	-	-	-	(1,321)	
Buyback of equity shares (refer note 3.12)	(36,363,636)	(7)	(1,603)	(2,387)	(10)	-	7	-	-	-	-	-	(3,993)	
Expenses on buyback of equity shares (refer note 3.12)	-	-	(12)	-	-	-	-	-	-	-	-	-	(12)	
Transfer to special economic zone re-investment reserve	-	-	(440)	-	-	-	-	-	440	-	-	-	-	
Transfer from special economic zone re-investment reserve	-	-	310	-	-	-	-	-	(310)	-	-	-	-	
Shares issued for exercised options	396,120	-	-	-	7	-	-	(7)	-	-	-	-	-	
Balance as at 31 March 2019	1,356,278,868	271	29,431	120	2	14	14	5	440	(17)	171	2	30,168	
Profit for the year	-	-	29,431	-	-	-	-	-	-	-	-	-	30,168	
Other comprehensive income (refer note 3.26)	-	-	8,969	-	-	-	-	-	-	-	-	-	8,969	
Total comprehensive income for the year	-	-	(63)	-	-	-	-	-	-	16	(438)	(3)	(488)	
Dividend of ₹ 5 per share (including tax on dividend of ₹ 268 crores)	-	-	8,906	-	-	-	-	-	-	16	(438)	(3)	8,481	
Issue of bonus shares (refer note 3.12)	1,356,832,548	271.4	(271.4)	-	-	-	-	-	-	-	-	-	(1,625)	
Transfer to special economic zone re-investment reserve	-	-	(726)	-	-	-	-	-	726	-	-	-	(271)	
Transfer from special economic zone re-investment reserve	-	-	440	-	-	-	-	-	(440)	-	-	-	-	
Shares issued for exercised options	553,680	-	-	-	5	-	-	(5)	-	-	-	-	-	
Balance as at 31 March 2020	2,713,665,096	543	36,155	120	7	14	14	-	726	(1)	(267)	(1)	36,753	

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

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Standalone Statement of Cash flows for the year ended 31 March 2020

(All amounts in crores of ₹)

		Year ended	Year ended
		31 March 2020	31 March 2019
A.	Cash flows from operating activities		
	Profit before tax	11,177	9,931
	Adjustment for:		
	Depreciation and amortization	1,952	1,276
	Interest income	(410)	(531)
	Dividend income from subsidiaries	(47)	(17)
	Provision for doubtful debts / bad debts (written back) written off, net	86	(4)
	Income on investments carried at fair value through profit and loss	(109)	(121)
	Profit on sale of investments carried at fair value through other comprehensive income	(16)	(17)
	Interest expense	75	4
	Profit on sale of property, plant and equipment (net)	(1)	(3)
	Other non cash charges (net)	126	5
	Operating profit before working capital changes	12,833	10,523
	Movement in working capital		
	(Increase) decrease in trade receivables	(1,311)	(820)
	(Increase) decrease in inventories	10	22
	(Increase) decrease in other financial assets and other assets	(9)	(1,006)
	Increase (decrease) in trade payables	(105)	1,831
	Increase (decrease) in provisions, other financial liabilities and other liabilities	188	204
	Cash generated from operations	11,606	10,754
	Direct taxes paid (net of refunds)	(1,751)	(2,078)
	Net cash flow from operating activities (A)	9,855	8,676
B.	Cash flows from investing activities		
	Investments in bank deposits	-	(1,750)
	Proceeds from bank deposits on maturity	1,750	2,115
	Purchase of investments in securities	(34,358)	(23,188)
	Proceeds from sale/maturity of investments in securities	29,811	23,718
	Deposits placed with body corporates	(4,976)	(1,355)
	Proceeds from maturity of deposits placed with body corporates	3,186	3,408
	Payments for business acquisitions, net of cash acquired	(5,340)	-
	Purchase of property, plant and equipment and intangibles	(940)	(2,326)
	Proceeds from sale of property, plant and equipment	12	14
	Investment in the subsidiaries	(399)	-
	Proceeds from loans extended to group company	-	21
	Dividend received from subsidiaries	47	17
	Interest received	251	468
	Taxes paid	(135)	(147)
	Net cash flow from (used) in investing activities (B)	(11,091)	995
C.	Cash flows from financing activities		
	Proceeds from long term borrowings	152	18
	Repayment of long term borrowings	(24)	(16)
	Proceeds from short term borrowings	221	-
	Repayment of short term borrowings	(221)	-
	Payments for deferred consideration on business acquisitions	(285)	-
	Buyback of equity shares	-	(4,000)
	Expenses on buyback of equity shares	-	(12)
	Dividend paid	(1,357)	(1,099)
	Corporate dividend tax	(268)	(222)
	Interest paid	(11)	(4)
	Payment of lease liabilities including interest	(195)	-
	Net cash flow used in financing activities (C)	(1,988)	(5,335)

Standalone Statement of Cash flows for the year ended 31 March 2020

(All amounts in crores of ₹)

	Year ended	Year ended
	31 March 2020	31 March 2019
Net increase (decrease) in cash and cash equivalents (A+B+C)	(3,224)	4,336
Effect of exchange differences on cash and cash equivalents held in foreign currency	(8)	(23)
Cash and cash equivalents at the beginning of the year	4,523	210
Cash and cash equivalents at the end of the year as per note 3.10 (a)	1,291	4,523

Notes:

1. Reconciliation of liabilities arising from financing activities

Particulars	As at 31 March 2019	Cash flows	Non cash changes			As at 31 March 2020
			Business combination	Effect of foreign currency translation	Recognized in profit and loss	
Deferred consideration (including contingent consideration)	-	(285)	6,150	578	116	6,559
	-	(285)	6,150	578	116	6,559

2. The total amount of income taxes paid is ₹ 1,886 crores (31 March 2019, ₹ 2,245 crores)

3. Cash and cash equivalents include Investor education and protection fund-unclaimed dividend of ₹ 5 crores (31 March 2019, ₹ 5 crores).

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached

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Notes to standalone financial statements for the year ended 31 March 2020

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

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Limited (hereinafter referred to as “the Company”) is primarily engaged in providing a range of IT and business services, engineering and R&D services and products & platforms services. The Company was incorporated under the provisions of the Companies Act applicable in India in November 1991, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi-110019. The Company leverages its offshore infrastructure and professionals to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The financial statements for the year ended 31 March 2020 were approved and authorized for issue by the Board of Directors on 7 May 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The financial statements of the Company have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis except for the following assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The Company uses the Indian rupee (₹) as its reporting currency.

(b) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, the measurement of lease liabilities and right of use assets, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

(c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

Notes to standalone financial statements for the year ended 31 March 2020

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

(d) Foreign currency and translation

The financial statements are presented in Indian Rupee (₹) which is also the Company's functional currency. For each foreign operation, the Company determines the functional currency which is its respective local currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

(e) Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- (a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- (b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- (c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

Notes to standalone financial statements for the year ended 31 March 2020

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

(f) Revenue recognition*Contracts involving provision of services and material*

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material / Volume based / Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Proprietary Software products

Revenue from distinct proprietary perpetual license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with one year of support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided.

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which company would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and

Notes to standalone financial statements for the year ended 31 March 2020

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

circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a group is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably being company control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our statements of financial position, contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Revenue from sales-type leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(g) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first in first out method.

Notes to standalone financial statements for the year ended 31 March 2020

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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 taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of branches where it is expected that the earnings of the branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

(h) **Property, plant and equipment**

Property, plant and equipment 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. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of 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.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Depreciation on property, plant and equipment 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 assets for computing depreciation are as follows:

Asset description	Asset life (in years)
Buildings	20
Plant and equipment (including air conditioners, electrical installations)	10
Office equipment	5
Computers and networking equipment	4-5
Furniture and fixtures	7
Vehicles	5

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(i) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite

Notes to standalone financial statements for the year ended 31 March 2020

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

useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset 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.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5 to 15
Customer relationships	1 to 10
Customer contracts	1
Technology	1 to 10
Intellectual property rights	6

(j) Research and development costs

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequently, following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(k) Borrowing costs

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 are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(l) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

Company is lessee in case of leasehold land, office space and accommodation for its employees. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116.

Effective 1 April 2019, all leases with a term of more than 12 months are recognized as right-of-use assets alongwith associated lease liabilities, in the balance sheet.

Right-of-use asset represents the Company's right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-

Notes to standalone financial statements for the year ended 31 March 2020

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

use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the company exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Company has elected to not recognize leases with a lease term of 12 months or less in the balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the statement of profit and loss. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned or contingency is resolved.

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 finance lease are recognized as a receivable at an amount equal to the present value of lease receivable. 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.

When arrangements include multiple performance obligations, the Company allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Company has adopted Ind AS 116, effective 1 April 2019 using the modified retrospective approach which involves recognizing new right-of-use assets and lease liabilities on its balance sheet. Comparative information has not been adjusted and continues to be reported under Ind AS 17. As a result of the Company's adoption of this new standard, all leases are recorded on the balance sheet. The Company has also elected the practical expedients, not to reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The Company has used a single discount rate to a portfolio of leases with reasonably similar characteristics. The Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract, and to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ("short-term leases").

Impact on financial statements

As a result of adoption of Ind AS 116, the Company recognized additional lease liabilities of ₹ 700 crores and rights-of-use assets of ₹ 936 crores as on 1 April 2019.

The weighted average incremental borrowing rate of 8.29% has been applied to lease liabilities recognized in the balance sheet at the date of initial application, in respect of leases classified as operating leases as per Ind AS 17.

The difference between future minimum lease rental commitments against non-cancellable operating leases reported as at 31 March 2019 and lease liability recognized as at 1 April 2019 is primarily due to exclusion of short term lease commitments for which the Company has chosen to apply the practical expedient as per the standard.

Notes to standalone financial statements for the year ended 31 March 2020

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

The following table summarize the impact of the Company's adoption of Ind AS 116 on its statement of balance sheet as of 1 April 2019

	As reported 31 March 2019	Adoption of Ind AS 116	Balance as of 1 April 2019
Prepaid expenses (including current and non-current portion) (note 1)	281	(47)	234
Prepaid rentals for leasehold land (including current and non-current portion) (note 2)	285	(285)	-
Other financial liabilities (current) - liabilities for expenses (note 3)	583	(90)	493
Right-of-use assets	-	936	936
Lease liability (including current and non-current portion)	-	700	700

Notes:

1. Includes prepaid rent amounting to ₹ 3 crores and prepaid amount of security deposit amounting to ₹ 44 crores, reclassified to right-of-use assets.
2. Prepaid rental for leasehold land amounting to ₹ 285 crores which has been reclassified to right-of-use assets.
3. Includes lease equalization reserve of ₹ 90 crores adjusted with right-of-use assets.

(m) Inventory

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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 identifying 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.

(n) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(o) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes to standalone financial statements for the year ended 31 March 2020

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

(p) Retirement and other employee benefits

- i Provident fund: Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company to the provident fund trust managed by the Company, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of government-owned corporations and, equity other eligible market securities.
- ii In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by appointed fund managers 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 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 (subject to a maximum of ₹ 20 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

- iv Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. 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 statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- v. State Plan: The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund is charged to the statement of profit and loss as and when employees render related services.
- vi. Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

(q) Equity settled stock based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(r) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an

Notes to standalone financial statements for the year ended 31 March 2020

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

original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial positions, bank overdrafts are presented under borrowings within current liabilities.

Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled receivables, trade and other receivables.

Financial assets at Fair Value through Other Comprehensive Income (OCI)

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

Equity investments in subsidiaries are measured at cost less impairment if any.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

ii. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost includes trade payables, borrowings including bank overdrafts and other payables.

Notes to standalone financial statements for the year ended 31 March 2020

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

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

iii. Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies.

The Company recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)'.

The foreign exchange forward contracts and options in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

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. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(s) Dividend

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(t) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company 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 diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

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The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

(u) Nature and purpose of reserves**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares and buyback of shares in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

The Company recognizes cancellation of the Company's own equity instruments to capital redemption reserve.

Share based payment reserve

The share options based payment reserve is used to recognize the grant date fair value of options issued to employees under Employee stock option plan.

Special economic zone re-investment reserve

The Company has created Special economic zone re-investment reserve out of profits of the eligible SEZ Units in terms of the specific provisions of Section 10AA(1) of the Income Tax Act, 1961 ("the Act"). The said reserve should be utilized by the Company for acquiring plant and machinery in terms of Section 10AA(2) of the Act.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Cash flow hedging reserve

For hedging foreign currency risk, the Company uses foreign currency forward and option contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Debt instruments through other comprehensive income

The Company recognizes changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

2. ACQUISITIONS**Acquisitions in the current year****Acquisition of Select IBM Software products**

On 7 December 2018, the Company had signed a definitive agreement to acquire business relating to select IBM software products for a consideration of ₹ 11,715 crores.

The Company has acquired these products for security, marketing, commerce, and digital solutions along with certain assumed liabilities and in scope employees. With this the Company gets 100% control on the assets being acquired and has also taken full ownership of the research and development, sales, marketing, delivery and support for these products. Through this acquisition, the Company intends to enhance its products and platforms offering to customers across a wide range of industries and markets. IBM will pay the Company for the assumed liabilities as related services are rendered, based on an agreed basis, fair value of the same has been estimated at ₹ 3,490 crores.

Acquisition has been consummated effective 30 June 2019. The Company has paid ₹ 5,340 crores till 30 June 2019. ₹ 5,340 crores is payable after one year and ₹ 1,035 crores is payable in three tranches of ₹ 345 crores each till 30 July 2021 subject to fulfilment of certain conditions as per agreement. These payables have been fair valued at ₹ 6,149 crores.

The Company had earlier acquired certain intellectual property rights (Licensed IPRs) from IBM for some of these products and was carrying these licensed IPRs at an unamortized value of ₹ 2,950 crores as of 30 June 2019. This amount has been reduced from licensed IPRs and included in purchase price.

Notes to standalone financial statements for the year ended 31 March 2020

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

The purchase price including the fair value of remaining consideration and unamortized value of licensed IPRs of ₹ 6,149 crores and ₹ 2,950 crores respectively is ₹ 14,438 crores and has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Recoverable from IBM (against contract liabilities)	3,490
Contract liabilities*	(3,518)
Deferred tax	24
Property plant and equipment	2
Intangible assets	
Customer relationships	6,152
Technology	2,428
Goodwill	5,860
Total preliminary purchase consideration	14,438

*Presented gross of ₹ 1,626 crores recoverable from IBM with a corresponding contract liability for customer contracts entered by IBM for these products with service obligation commencing after 30 June 2019.

The resultant goodwill is considered tax deductible and has been allocated to the products & platforms segment. This goodwill is attributable mainly to Company's ability to upgrade the products and enhance the sale of products to customers in existing business of the Company and targeting new customers.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)	Basis of amortization
Customer relationships	6,152	10	In proportion of estimated revenue
Technology	2,428	7 to 10	On straight line basis over the estimated life of the respective products
Total Intangible assets	8,570		

Subsequent to the consummation date, the Company has received certain revised information from seller which has resulted in adjustments in the value of assets and liabilities acquired resulting into increase in intangible assets by ₹ 115 crores with corresponding decrease in goodwill by ₹ 127 crores and increase in net assets by ₹ 59 crores.

Additionally, the Company has paid first trench of ₹ 277 crores during the year ended 31 March 2020.

The Company is in the process of making a final determination of the fair value of assets and liabilities, and evaluation of certain items relating to taxation. Finalization of the purchase price allocation may result in certain adjustments to the above allocations.

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3. Notes to financial statements
3.1 Property, plant and equipment
The changes in the carrying value for the year ended 31 March 2020

	Freehold land	Buildings	Plant and equipment	Office equipment	Computers and networking equipment	Furniture and fixtures	Vehicles#	Total
Gross block as at 1 April 2019	67	2,901	1,329	264	1,661	482	124	6,828
Additions	-	148	58	32	289	26	37	590
Acquisitions through business combinations	-	-	-	-	2	-	-	2
Disposals	-	-	22	23	258	22	20	345
Translation exchange differences	-	-	-	-	3	-	-	3
Gross block as at 31 March 2020	67	3,049	1,365	273	1,697	486	141	7,078
Accumulated depreciation as at 1 April 2019	-	767	807	196	1,107	388	56	3,321
Charge for the year	-	147	93	28	224	29	26	547
Deduction/other adjustments	-	-	22	22	252	21	15	332
Translation exchange differences	-	-	-	-	1	-	-	1
Accumulated depreciation as at 31 March 2020	-	914	878	202	1,080	396	67	3,537
Net block as at 31 March 2020	67	2,135	487	71	617	90	74	3,541

Note 1: Capital work in progress includes ₹ 11 crores interest on extended interest bearing suppliers credit and during the year ₹ 6 crores have been capitalised by the Company.

Also refer footnote 1 of note 3.13

The changes in the carrying value for the year ended 31 March 2019

	Freehold land	Buildings	Plant and equipment	Office equipment	Computers and networking equipment	Furniture and fixtures	Vehicles#	Total
Gross block as at 1 April 2018	48	2,736	1,246	231	1,449	482	117	6,309
Additions	19	165	98	39	327	25	33	706
Disposals	-	-	15	6	115	25	26	187
Translation exchange differences	-	-	-	-	-	-	-	-
Gross block as at 31 March 2019	67	2,901	1,329	264	1,661	482	124	6,828
Accumulated depreciation as at 1 April 2018	-	627	734	180	1,042	380	53	3,016
Charge for the year	-	140	88	21	177	32	23	481
Deduction/other adjustments	-	-	15	5	112	24	20	176
Translation exchange differences	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2019	-	767	807	196	1,107	388	56	3,321
Net block as at 31 March 2019	67	2,134	522	68	554	94	68	3,507
Net block as at 1 April 2018	48	2,109	512	51	407	102	64	3,293

Note 1 : Capital work in progress includes ₹ 8 crores interest on extended interest bearing suppliers credit and during the year ₹ 9 crores have been capitalised by the Company.

Also refer footnote 1 of note 3.13

Notes to standalone financial statements for the year ended 31 March 2020

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

3.2 Goodwill

Effective 1 April 2019, consequent to reorganization of its global operations due to technological changes and business requirements with increased focus to meet customer expectations and provide better services, the Company has reorganized itself into three segments, IT and Business Services, Engineering and R&D Services and Products & Platforms which led to change in composition of its Cash Generating units (CGUs.)

Accordingly, goodwill has been reallocated based on the relative fair value of each newly identified CGUs. The Company tested goodwill allocated to CGUs for impairment prior to the CGU composition change and immediately thereafter, for events and conditions. The fair value of the Company and its CGUs was calculated using a discounted cash flow model using estimated future cash flows. The results of our evaluation showed that the fair value of each of the CGUs exceeded its book value.

The following table presents the changes in the carrying value of goodwill based on new identified CGUs for the year ended 31 March 2019.

	IT and Business Services	Engineering and R&D services	Products and Platforms	Total
Opening balance as at 1 April 2018	336	214	-	550
Effect of exchange rate changes	-	-	-	-
Closing balance as at 31 March 2019	336	214	-	550

The following table presents the changes in goodwill based on CGUs for the year ended 31 March 2020.

	IT and Business Services	Engineering and R&D services	Products and Platforms	Total
Opening balance as at 1 April 2019	336	214	-	550
Acquisitions through business combination	-	-	5,987	5,987
Measurement period adjustments (refer note 2)	-	-	(127)	(127)
Effect of exchange rate changes	-	-	-	-
Closing balance as at 31 March 2020	336	214	5,860	6,410

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU), which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, when the carrying amount of cash generating units (CGU) including goodwill, exceeds the estimated recoverable amount of CGU. The estimated value-in-use of this CGU is based on the future cash flows are forecast for 5 to 9 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirements. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	31 March 2020	31 March 2019
Growth rate (%)	upto 5	upto 5
Terminal growth rate (%)	upto 2.0	upto 2.5
Pre tax discount rate (%)	10.9-15.3	12.3-13.3

As at 31 March 2020 and 31 March 2019 the estimated recoverable amount of CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The Company tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The Company has performed its annual goodwill impairment testing considering the likely impact of COVID-19 on future cash flows, discount rates, growth rates, earnings before interest and taxes, including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.3 Other intangible assets
The changes in the carrying value for the year ended 31 March 2020

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Total
Gross block as at 1 April 2019	661	8,303	151	19	-	7	9,141
Additions	63	-	-	-	-	-	63
Acquisitions through business combinations	-	-	6,152	-	2,428	-	8,580
Disposals/other adjustments (refer note 2)	-	3,432	-	-	-	-	3,432
Gross block as at 31 March 2020	724	4,871	6,303	19	2,428	7	14,352
Accumulated amortization as at 1 April 2019	571	1,310	60	19	-	3	1,963
Charge for the year	67	453	487	-	223	1	1,231
Deduction/other adjustments (refer note 2)	-	482	-	-	-	-	482
Accumulated amortization as at 31 March 2020	638	1,281	547	19	223	4	2,712
Net block as at 31 March 2020	86	3,590	5,756	-	2,205	3	11,640
Estimated remaining useful life (in years)	3	13	9	-	9	2	

The Company tests intangible assets for impairment when there is an indication for impairment. The Company has performed an evaluation of the amortization period and method for its intangible assets, along with intangible assets impairment testing considering the likely impact of COVID-19 on future cash flows and growth rates, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

The changes in the carrying value for the year ended 31 March 2019

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Total
Gross block as at 1 April 2018	623	6,966	151	19	-	7	7,766
Additions	51	1,337	-	-	-	-	1,388
Disposals	13	-	-	-	-	-	13
Gross block as at 31 March 2019	661	8,303	151	19	-	7	9,141
Accumulated amortization as at 1 April 2018	514	607	39	19	-	2	1,181
Charge for the year	70	703	21	-	-	1	795
Deduction/other adjustments	13	-	-	-	-	-	13
Accumulated amortization as at 31 March 2019	571	1,310	60	19	-	3	1,963
Net block as at 31 March 2019	90	6,993	91	-	-	4	7,178
Net block as at 1 April 2018	109	6,359	112	-	-	5	6,585
Estimated remaining useful life (in years)	3	14	8	-	-	3	

Notes to standalone financial statements for the year ended 31 March 2020

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

3.4 Investments

	As at	
	31 March 2020	31 March 2019
Financial assets		
Non-current		
Unquoted Investment		
Equity investment in subsidiary companies carried at cost (fully paid up)		
449,026,068 (31 March 2019, 445,492,500) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	3,407	3,194
1,280 (31 March 2019, 1,280) equity shares of ₹ 10,000 each, in HCL Comnet Systems & Services Limited	11	11
949,900 (31 March 2019, 949,900) equity shares of ₹ 10 each, in HCL Comnet Limited	55	55
HCL Technologies (Shanghai) Limited (issued & registered capital)	10	10
1,033,384 (31 March 2019, 1,033,384) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5	5
30,000,000 (31 March 2019, 30,000,000) equity shares of Pound 1 each fully paid up, in HCL EAS Limited	225	225
1 (31 March 2019, 1) equity shares of Euro 100 each, in HCL GmbH *	-	-
100,000 (31 March 2019, 100,000) equity shares of ₹ 10 each in HCL Eagle Limited*	-	-
50,000 (31 March 2019, 50,000) equity shares of ₹ 10 each in HCL Foundation*	-	-
100,000 (31 March 2019, 100,000) equity shares of SGD 1 each, in HCL Aisa Pacific Pte. Ltd. (Formerly known as Geometric Asia Pacific Pte. Ltd., Singapore)	17	17
Euro 14.05 million (31 March 2019, 14.05 million) invested in equity share capital of Geometric Europe GmbH, Germany	67	67
1,432 (31 March 2019, 1,432) non assessable shares of USD 1 each, in Geometric Americas, Inc., U.S.A	224	224
7,589,107 (31 March 2019, Nil) equity shares of ₹ 2 each in Sankalp Semiconductor Private Limited **	185	-
Investment in equity share capital of H C L Technologies Lanka (Private) Limited #	1	-
	4,207	3,808
Current		
Quoted investments		
Carried at fair value through other comprehensive income		
Investment in debt securities	3,691	1,226
Unquoted Investments		
Carried at fair value through profit and loss		
Investment in mutual funds	2,977	776
	6,668	2,002
Total investments - financial assets	10,875	5,810
Aggregate amount of quoted investments	3,691	1,226
Aggregate amount of unquoted investments	7,184	4,584
Market value of quoted investments	3,691	1,226
Equity instruments carried at cost	4,207	3,808
Investment carried at fair value through other comprehensive income	3,691	1,226
Investment carried at fair value through profit and loss	2,977	776

Note:-

* Represent value less than ₹ 0.50 crore.

** The Company invested in 7,434,307 equity shares of Sankalp Semiconductor Private Limited and remaining shares 154,800 are held through Sankalp stock trust wholly controlled by Sankalp Semiconductor Private Limited.

The Company has applied for 3,602,000 ordinary share of Sri Lankan rupees 10 each which are yet to be allotted.

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.5 Loans

	As at	
	31 March 2020	31 March 2019
Non - current		
Carried at amortized cost		
Unsecured, considered good		
Inter corporate deposits	-	355
	-	355
Current		
Carried at amortized cost		
Unsecured, considered good		
Inter corporate deposits	3,380	1,235
Loans to related parties (refer note 3.31)	11	9
	3,391	1,244

3.6 Other financial assets

	As at	
	31 March 2020	31 March 2019
Non - current		
Carried at amortized cost		
Finance lease receivables [refer note 3.28(b)]	110	72
Security deposits	58	59
Security deposits - related parties (refer note 3.31)	19	12
Unbilled receivable	99	63
Other receivables	22	-
	308	206
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments [refer note 3.29(a)]	-	103
	308	309
Current		
Carried at amortized cost		
Unbilled receivable	1,150	771
Unbilled receivables-related parties (refer note 3.31)	1,229	862
Contract assets	29	38
Interest receivable	250	91
Interest receivable - related parties (refer note 3.31)	6	5
Security deposits	33	22
Security deposits - related parties (refer note 3.31)	1	7
Finance lease receivables [refer note 3.28(b)]	88	49
Other receivables	1,090	219
	3,876	2,064
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments [refer note 3.29(a)]	2	132
Carried at fair value through profit and loss		
Unrealized gain on derivative financial instruments [refer note 3.29(a)]	52	79
	3,930	2,275

Notes to standalone financial statements for the year ended 31 March 2020

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

3.7 Other non-current assets

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good		
Capital advances	103	23
Advances other than capital advances		
Security deposits	33	33
Others		
Prepaid expenses	62	68
Prepaid rentals for leasehold land (refer note 3.28)	-	281
Prepaid expenses - related parties (refer note 3.31)	-	7
Deferred contract cost (refer note 3.19)	343	311
	541	723

3.8 Inventories

	As at	
	31 March 2020	31 March 2019
Stock-in-trade	14	18
	14	18

3.9 Trade receivables

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good (refer note below)	7,570	6,280
Trade receivables which have significant increase in credit risk	106	77
Trade receivables - credit impaired	30	13
	7,706	6,370
Impairment allowance for bad and doubtful debts	(202)	(125)
	7,504	6,245

Note : Includes receivables from related parties amounting to ₹ 4,115 crores (31 March 2019, ₹ 2,954 crores).

3.10 Cash and bank balances

	As at	
	31 March 2020	31 March 2019
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	388	2,734
- deposits with original maturity of less than 3 months	749	1,775
Remittances in transit	149	9
Unclaimed dividend account	5	5
	1,291	4,523
(b) Other bank balances		
Deposits with remaining maturity up to 12 months	-	1,750
	1,291	6,273

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.11 Other current assets

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good		
Advances other than capital advances		
Security deposits	29	11
Advances to supplier-related parties (refer note 3.31)	71	85
Advances to employees	18	27
Advances to suppliers	41	34
Others		
Deferred contract cost	148	96
Deferred contract cost-related parties (refer note 3.31)	41	19
Prepaid expenses	237	213
Prepaid rentals for leasehold land (refer note 3.28)	-	4
Prepaid expenses - related parties (refer note 3.31)	15	20
Goods and service tax receivable	59	86
Other advances	71	54
	730	649
Unsecured, considered doubtful		
Advances other than capital advances		
Advances to employees	45	39
Other advances	7	5
Less: Provision for doubtful advances	(52)	(44)
	-	-
	730	649

3.12 Share capital

	As at	
	31 March 2020	31 March 2019
Authorized		
3,000,000,000 (31 March 2019, 1,500,000,000) equity shares of ₹ 2 each	600	300
Issued, subscribed and fully paid up		
2,713,665,096 (31 March 2019, 1,356,278,868) equity shares of ₹ 2 each	543	271

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.

Notes to standalone financial statements for the year ended 31 March 2020

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

Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year

	As at			
	31 March 2020		31 March 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	1,356,278,868	271.3	1,392,246,384	278
Add: Shares issued on exercise of employee stock options	553,680	0.1	396,120	-
Add: Bonus share issued	1,356,832,548	271.4	-	-
Less: Shares extinguished on buyback	-	-	(36,363,636)	(7)
Number of shares at the end	2,713,665,096	543	1,356,278,868	271

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			
	31 March 2020		31 March 2019	
	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	1,172,772,190	43.22%	581,855,849	42.90%
HCL Holdings Private Limited	446,662,032	16.46%	223,331,016	16.47%

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	
	31 March 2020	31 March 2019
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	15,563,430 Equity shares	15,563,430 Equity shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	2,059,680,509 Equity Shares	702,847,961 Equity Shares
Aggregate number and class of shares bought back	71,363,636 Equity Shares	71,363,636 Equity Shares

During the year, pursuant to the approval of the shareholders through postal ballot (including remote e-voting), the Company has allotted 1,356,832,548 bonus shares of ₹ 2/- each fully paid-up on 10 December 2019 in the proportion of 1 equity share for every 1 equity share of ₹ 2/- each held by the equity shareholders of the Company as on the record date of 7 December 2019. Consequently the Company capitalized a sum of ₹ 271 crores from "retained earnings".

During the previous year ended 31 March 2019, the Company carried out the share buyback of 36,363,636 fully paid-up equity shares of face value of ₹ 2 each at a price of ₹ 1,100 per share paid in cash for an aggregate consideration of ₹ 4,000 crores. Same was recorded as reduction in equity share capital by ₹ 7 crores, securities premium by ₹ 10 crores, general reserve by ₹ 2,387 crores and retained earnings by ₹ 1,596 crores. As required by the Companies Act, 2013, capital redemption reserve of ₹ 7 crores was created out of retained earnings to the extent of share capital extinguished. The expenses of ₹ 12 crores relating to buyback was adjusted against retained earnings.

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The company has been declaring quarterly dividend for last 17 years. The Company determines the capital requirement based on annual operating plans, long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
Employee Stock Option Plan (ESOP)

The Company has provided share-based payment schemes to its employees. During the year ended 31 March 2020 and 2019, the following scheme was in operation:

	ESOP 2004
Maximum number of options under the plan	20,000,000
Method of settlement (cash/equity)	Equity
Vesting period (maximum)	96 months
Exercise period from the date of vesting (maximum)	5 years
Vesting conditions	Service period / Company performance

Each option granted under the above plans entitles the holder to sixteen equity shares (eight equity share 1:1 bonus issue) of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee. The above plan was closed on 17 December 2019.

The details of activity under the plan has been summarized below:-

ESOP 2004	Year ended			
	31 March 2020		31 March 2019	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	69,210	16	123,645	16
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	(4,800)	16
Exercised during the year	(69,210)	16	(49,515)	16
Expired during the year	-	-	(120)	-
Options outstanding at the end of the year	-	-	69,210	16
Options exercisable at the end of the year	-	-	69,210	-

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 8,842 (31 March 2019, ₹ 7,897)

The details of exercise price for outstanding stock options is as below:

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 - 2004				
31 March 2020	₹ 16	-	-	16
31 March 2019	₹ 16	69,210	0.50	16

There are no options granted during the current year and previous year.

Notes to standalone financial statements for the year ended 31 March 2020

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

3.13 Borrowings

	Non-current		Current	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Long term borrowings				
Secured				
Term loan from banks (refer note 1 below)	32	32	18	18
Unsecured				
Term loans from banks (refer note 2 below)	128	-	-	-
Current maturities of long term borrowings disclosed under Note 3.14 "Other financial liabilities"	-	-	(18)	(18)
	160	32	-	-

Note:-

- The Company has availed term loans of ₹ 50 crores (31 March 2019, ₹ 50 crores) secured against gross block of vehicles of ₹ 128 crores (31 March 2019, ₹ 113 crores) at interest rates ranging from 8.5% p.a. to 9.75% p.a. The loans are repayable over a period of 3 to 5 years on a monthly basis.
- An unsecured long term loan of ₹ 128 crores (31 March 2019, Nil) borrowed from banks at interest rate 7.90% p.a. The scheduled principal repayments of loans are as follows:

	As at	
	31 March 2020	31 March 2019
Two to three years	45	-
Three to five years	83	-
	128	-

3.14 Other financial liabilities

	As at	
	31 March 2020	31 March 2019
Non - current		
Carried at amortized cost		
Employee bonuses accrued	10	1
Deferred consideration	366	-
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	177	-
	553	1
Current		
Carried at amortized cost		
Current maturities of long term borrowings	18	18
Interest accrued but not due on borrowings	1	-
Unclaimed dividends	5	5
Deferred consideration	6,194	-
Accrued salaries and benefits		
Employee bonuses accrued	496	429
Other employee costs	271	228

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

	As at	
	31 March 2020	31 March 2019
Others		
Liabilities for expenses	609	583
Liabilities for expenses-related parties (refer note 3.31)	568	346
Capital accounts payables [includes supplier credit ₹ 116 crores (31 March 2019, ₹ 170 crores)]	306	472
Capital accounts payables-related parties [includes supplier credit ₹ 1 crores (31 March 2019, ₹ 3 crores)] (refer note 3.31)	1	3
Supplier credit	66	56
Supplier credit -related parties (refer note 3.31)	158	161
Other payables	7	-
	8,700	2,301
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	123	-
Carried at fair value through profit and loss		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	5	-
	8,828	2,301

3.15 Provisions

	As at	
	31 March 2020	31 March 2019
Non - Current		
Provision for employee benefits		
Provision for gratuity (refer note 3.30)	503	375
Provision for leave benefits	231	178
Provision for provident fund liabilities (refer note 3.30)	41	-
	775	553
Current		
Provision for employee benefits		
Provision for gratuity (refer note 3.30)	80	73
Provision for leave benefits	89	68
	169	141

3.16 Other non-current liabilities

	As at	
	31 March 2020	31 March 2019
Contract liabilities (refer note 3.19)	70	20
Contract liabilities - related parties (refer note 3.19 and 3.31)	15	5
Others	28	27
	113	52

3.17 Trade payables

	As at	
	31 March 2020	31 March 2019
Trade payables	135	156
Trade payables-related parties (refer note 3.31)	2,138	2,211
	2,273	2,367

Notes to standalone financial statements for the year ended 31 March 2020

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

3.18 Other current liabilities

	As at	
	31 March 2020	31 March 2019
Contract liabilities (refer note 3.19)	1,040	166
Contract liabilities-related parties (refer note 3.19 and 3.31)	537	535
Other Advances		
Advances received from customers	32	2
Advances received from customers- related parties (refer note 3.31)	-	49
Others		
Withholding and other taxes payable	152	149
	1,761	901

3.19 Revenue from operations

	Year ended	
	31 March 2020	31 March 2019
Sale of services	32,384	25,834
Sale of hardware and software	222	178
	32,606	26,012

Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers as follow:

	Year ended	
	31 March 2020	31 March 2019
Contract type		
Fixed price	23,358	18,312
Time and material	9,248	7,700
Total	32,606	26,012
Geography wise		
America	14,429	14,770
Europe	12,162	7,135
India*	2,324	1,924
Rest of world	3,691	2,183
	32,606	26,012

* includes revenue billed to India based captive of global customers

Remaining performance obligations

As at 31 March 2020, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was ₹ 25,942 crores (31 March 2019, ₹ 17,413 crores) out of which, approximately 36% (31 March 2019, 43%) is expected to be recognized as revenues within one year and the balance beyond one year. This is after exclusions as below:

- Contracts for which we recognize revenues based on the right to invoice for services performed,
- Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or
- Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Notes to standalone financial statements for the year ended 31 March 2020

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

Contract balances

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Out of ₹ 29 crores of contract assets as on 31 March 2020, 100% pertain to current year.

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized.

The below table discloses the movement in the balance of contract liabilities :

	Year ended	
	31 March 2020	31 March 2019
Balance as at beginning of the year	726	502
Additional amounts billed but not recognized as revenue	1,371	596
Deduction on account of revenues recognized during the year	(2,329)	(372)
Addition on account of acquisitions	1,891	-
Effect of exchange fluctuations	3	-
Balance as at end of the year	1,662	726

Deferred contract cost : Deferred contract cost represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the significant movement in deferred contract cost :

	Year ended	
	31 March 2020	31 March 2019
Balance as at beginning of the year	426	255
Additional cost capitalised during the year	180	240
Deduction on account of cost amortised during the year	(76)	(69)
Effect of exchange fluctuations	2	-
Balance as at end of the year	532	426

The company has evaluated the impact of COVID-19 resulting from (a) increase in cost budget of fixed price projects due to additional efforts; (b) onerous projects; (c) penalties for not meeting SLAs; (d) volume discounts; (e) termination / deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. We would continue to assess COVID-19 impact as we go along due to uncertainties associated with its nature and duration.

Notes to standalone financial statements for the year ended 31 March 2020

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

3.20 Other income

	Year ended	
	31 March 2020	31 March 2019
Interest income		
- On investments carried at fair value through other comprehensive income	156	93
- On others financial instruments carried at amortized cost	251	438
- On others	3	-
Profit on sale of investments carried at fair value through other comprehensive income	16	17
Income on investments carried at fair value through profit and loss		
- Unrealized gains (loss) on fair value changes on mutual funds	14	(3)
- Profit on sale of mutual funds	95	124
Dividends from subsidiary companies	47	17
Profit on sale of property, plant and equipment (refer note below)	1	3
Provision for doubtful debts/bad debts written back	-	4
Exchange differences (net)	-	101
Miscellaneous income	4	11
	587	805

Note: Net of loss on sale of property, plant & equipment ₹ 3 crores (previous year, ₹ 2 crores).

3.21 Changes in inventories of stock-in-trade

	Year ended	
	31 March 2020	31 March 2019
Opening stock	18	40
Less : Closing stock	14	18
	4	22

3.22 Employee benefits expense

	Year ended	
	31 March 2020	31 March 2019
Salaries, wages and bonus	9,475	7,728
Contribution to provident fund and other employee funds	385	303
Staff welfare expenses	56	48
	9,916	8,079

3.23 Finance cost

	Year ended	
	31 March 2020	31 March 2019
Interest		
-on loans from banks	12	4
-on the lease liability	63	-
-on direct taxes	13	-
-others	147	9
Bank charges	3	3
	238	16

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.24 Other expenses

	Year ended	
	31 March 2020	31 March 2019
Rent (refer note 3.28)	14	246
Power and fuel	195	234
Insurance	39	38
Repairs and maintenance		
- Plant and machinery	51	52
- Buildings	93	97
- Others	267	207
Communication costs	97	89
Travel and conveyance	742	792
Legal and professional charges	116	103
Software license fee	351	282
Rates and taxes	14	26
Expenditure toward corporate social responsibility activities	175	125
Provision for doubtful debts/bad debts written off	86	-
Exchange differences (net)	108	-
Miscellaneous expenses	207	159
	2,555	2,450

3.25 Income taxes

	Year ended	
	31 March 2020	31 March 2019
Income tax charged to statement of profit and loss		
Current income tax charge	1,965	2,354
Deferred tax charge (credit)	243	(608)
	2,208	1,746
Income tax charged to other comprehensive income		
Expense (benefit) on re-measurements of defined benefit plans	(18)	3
Expense (benefit) on revaluation of cash flow hedges	(89)	3
Expense (benefit) on unrealized gain on debt instruments	(2)	1
	(109)	7

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 March 2020	31 March 2019
Profit before income tax	11,177	9,931
Statutory tax rate in India	34.94%	34.94%
Expected tax expense	3,905	3,470
Non-taxable export income	(1,857)	(1,549)
Non-taxable other income	(45)	(29)

Notes to standalone financial statements for the year ended 31 March 2020

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

	Year ended	
	31 March 2020	31 March 2019
Reversal of prior year provision	(98)	(176)
Amortization of goodwill and intangible on acquisition of certain software products from IBM relating to tax exempt units	261	-
Reversal of deferred tax liabilities due to change in tax rate in India	(32)	-
Others (net)	74	30
Total taxes	2,208	1,746
Effective income tax rate	19.8%	17.6%

The company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after April 1, 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The aforesaid tax benefits will not be available to Units commencing operations after 30 June 2020.

The Company is subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2023 to 2035.

Beginning with current year, corporate taxpayers can opt for a specified lower tax rate in lieu of current applicable tax rate subject to taxpayers not claiming any specified tax incentives including tax incentives available to special economic zone units and carryover of unutilized MAT credit. The Company intends to opt for lower tax rate from 2024-25 by when the Company is expected to utilize the entire unutilized MAT credit. The Company has restated its deferred tax liabilities/ assets balances which are expected to reverse in the period after the Company opts for lower corporate tax rate.

Components of deferred tax assets and liabilities as on 31 March 2020

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisitions	Exchange difference	Closing balance
Deferred tax assets						
MAT credit entitlement	1,958	332	-	-	-	2,290
Provision for doubtful debts	52	25	-	-	-	77
Accrued employee costs	172	62	7	-	-	241
Unrealized loss on derivative financial instruments	-	-	53	-	-	53
Property, plant and equipment	8	(8)	-	24	-	24
Others	27	32	-	-	-	59
Gross deferred tax assets (A)	2,217	443	60	24	-	2,744
Deferred tax liabilities						
Property, plant and equipment	55	(1)	-	-	-	54
Intangibles	-	686	-	-	-	686
Unrealized gain on derivative financial instruments	36	-	(36)	-	-	-
Others	19	1	(13)	-	-	7
Gross deferred tax liabilities (B)	110	686	(49)	-	-	747
Net deferred tax assets (A-B)	2,107	(243)	109	24	-	1,997

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

Components of deferred tax assets and liabilities as on 31 March 2019

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisitions	Exchange difference	Closing balance
Deferred tax assets						
MAT credit entitlement	1,341	617	-	-	-	1,958
Provision for doubtful debts	54	(2)	-	-	-	52
Accrued employee costs	148	24	-	-	-	172
Property, plant and equipment	2	6	-	-	-	8
Others	42	(15)	-	-	-	27
Gross deferred tax assets (A)	1,587	630	-	-	-	2,217
Deferred tax liabilities						
Property, plant and equipment	40	15	-	-	-	55
Unrealized gain on derivative financial instruments	33	-	3	-	-	36
Others	8	7	4	-	-	19
Gross deferred tax liabilities (B)	81	22	7	-	-	110
Net deferred tax assets (A-B)	1,506	608	(7)	-	-	2,107

3.26 Components of other comprehensive income

	Year ended	
	31 March 2020	31 March 2019
A. Items that will not be reclassified to statement of profit and loss		
Retained earnings (Actuarial gain or loss relating to defined benefit plans)		
Opening balance (net of tax)	41	31
Actuarial gains or loss	(81)	13
Income tax expense	18	(3)
Closing balance (net of tax)	(22)	41
B. Items that will be reclassified subsequently to statement of profit and loss		
Foreign currency translation reserve		
Opening balance	(17)	5
Foreign currency translation	16	(22)
Closing balance	(1)	(17)
Cash flow hedging reserve		
Opening balance (net of tax)	171	137
Unrealized gains (losses)	(396)	82
Reclassification adjustments into revenue	(131)	(45)
Income tax benefit (expense)	89	(3)
Closing balance (net of tax)	(267)	171
Unrealized gain debt instruments		
Opening balance (net of tax)	2	-
Unrealized gains (losses)	(5)	3
Income tax benefit (expense)	2	(1)
Closing Balance (net of tax)	(1)	2
TOTAL (B)	(269)	156

Notes to standalone financial statements for the year ended 31 March 2020

(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	
	31 March 2020	31 March 2019
Net profit as per statement of profit and loss for computation of EPS	8,969	8,185
Weighted average number of equity shares outstanding in calculating Basic EPS*	2,713,085,729	2,750,726,404
Dilutive effect of stock options outstanding *	579,367	1,105,134
Weighted average number of equity shares outstanding in calculating diluted EPS*	2,713,665,096	2,751,831,538
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹)*		
- Basic	33.06	29.76
- Diluted	33.05	29.75

* adjusted for bonus issue (refer note 3.12)

3.28 Leases

(a) Company as a lessee

The Company's significant leasing arrangements are in respect of leases for office spaces, accommodation for its employees and leasehold land.

The details of the right-of-use asset held by the Company is as follows:

	Leasehold land	Buildings	Total
Balance as at 1 April 2019	-	-	-
Transition impact of Ind AS 116 (refer note 1(l))	285	651	936
Depreciation charge for the year	(4)	(170)	(174)
Additions	-	270	270
Derecognition	-	(3)	(3)
Translation exchange differences	-	1	1
Balance as at 31 March 2020	281	749	1,030

The reconciliation of lease liabilities is as follows:

	Total
Balance as at 1 April 2019	-
Transition impact of Ind AS 116 (refer note 1(l))	700
Additions	266
Amounts recognized in statement of profit and loss as interest expense	63
Payment of lease liabilities	(195)
Derecognition	(3)
Translation exchange differences	1
Balance as at 31 March 2020	832

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the year amounted to ₹ 14 crores.

Notes to standalone financial statements for the year ended 31 March 2020

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

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2020:

	As at 31 March 2020
Within one year	213
One to two years	184
Two to three years	164
Three to five years	242
Thereafter	238
Total lease payments	1,041
Imputed interest	(209)
Total lease liabilities	832

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Most of the leases entered by the Company are long term in nature and the underlying leased properties are being used as delivery centers or offices. The Company doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

During the previous year ended 31 March 2019, the aggregate lease rental expense recognized in the statement of profit and loss as per Ind AS 17 amounted to ₹ 246 crores and the lease equalization amount for non-cancellable operating lease payable in future years and accounted for by the Company was ₹ 90 crores.

Future minimum lease payments and the payment profile of non-cancellable operating leases as per Ind AS 17 as on 31 March 2019 are as follows:

	Total
Not later than one year	188
Later than one year and not later than 5 years	556
Later than five years	184
	928

(b) Company as a lessor

The Company has given IT 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	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As at 31 March 2020			
Not later than one year	89	1	88
Later than one year and not later than 5 years	115	5	110
	204	6	198
As at 31 March 2019			
Not later than one year	51	2	49
Later than one year and not later than 5 years	75	3	72
	126	5	121

Notes to standalone financial statements for the year ended 31 March 2020

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

3.29 Financial instruments

(a) Derivatives

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 counterparty in these derivative instruments is a bank and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts and options that are designated as cash flow hedges and the related forecasted transactions extend through February 2025. The Company does not use forward covers and currency options for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative forward covers together with the related balance sheet exposure:

Foreign exchange forward denominated in	Notional currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Sell covers					
USD / INR	USD	787,370	680,470	(272)	76
GBP / INR	GBP	40,540	14,200	2	5
EUR / INR	EUR	79,000	72,500	27	43
CHF / INR	CHF	35,500	20,900	(6)	7
SEK / INR	SEK	110,000	145,000	4	16
AUD / INR	AUD	16,000	16,171	9	6
NOK / INR	NOK	60,000	201,000	8	14
CAD / INR	CAD	23,000	-	5	-
JPY / INR	JPY	1,910,000	-	(1)	-
GBP / USD	GBP	22,400	-	8	-
NOK / USD	NOK	-	42,000	-	-
NZD / USD	NZD	301	-	-	-
JPY / USD	JPY	870,000	-	-	-
RUB / USD	RUB	290,000	244,000	6	-
AUD / USD	AUD	-	2,680	-	-
CHF / USD	CHF	17,391	18,133	1	-
EUR / USD	EUR	2,500	20,079	-	1
ZAR / USD	ZAR	118,000	45,000	6	-
MXN / USD	MXN	48,861	75,000	4	-
Buy covers					
GBP / USD	GBP	34,000	10,000	-	1
SEK / USD	SEK	-	20,000	-	-
EUR / USD	EUR	16,500	-	(1)	-
JPY / USD	JPY	490,000	-	-	-
NOK / USD	NOK	25,000	-	-	-
				(200)	169

The following table presents the aggregate notional principal amounts of the outstanding forward options together with the related balance sheet exposure:

	Notional currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Range forward (Sell covers)					
USD / INR	USD	637,982	1,216,487	(96)	105
GBP / INR	GBP	15,750	15,500	4	6
EUR / INR	EUR	36,530	44,250	3	23
AUD / INR	AUD	8,500	16,950	3	6
CHF / INR	CHF	-	1,500	-	1

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

	Notional currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
EUR / USD	EUR	2,300	-	-	-
SEK / INR	SEK	15,000	15,000	2	1
PUT (Sell covers)					
USD / INR	USD	-	14,000	-	3
Seagull (Buy covers)					
USD / INR	USD	143,500	-	32	-
Seagull (Sell covers)					
GBP / USD	GBP	6,750	-	1	-
USD / INR	USD	-	7,000	-	-
EUR / INR	EUR	8,300	-	-	-
				(51)	145

The notional amount is a key element of derivative financial instrument agreements. However, notional amounts do not represent the amount exchanged by counterparties and do not measure the Company's exposure to credit risk as these contracts are settled at their fair values at the maturity date.

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in ₹ crores. The Company presents its foreign exchange derivative instruments on a net basis in the financial statements due to the right of offset by its individual counterparties under master netting agreements.

The fair value of the derivative instruments presented on a gross basis as at each date indicated below is as follows:

	As at 31 March 2020				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	57	22	54	22	155
Foreign exchange contracts in an liability position	(55)	(22)	(177)	(199)	(453)
Net asset (liability)	2	-	(123)	(177)	(298)
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	61	-	9	-	70
Foreign exchange contracts in an liability position	(9)	-	(14)	-	(23)
Net asset (liability)	52	-	(5)	-	47
Total derivatives at fair value	54	-	(128)	(177)	(251)

	As at 31 March 2019				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	142	113	10	10	275
Foreign exchange contracts in an liability position	(10)	(10)	(10)	(10)	(40)
Net asset (liability)	132	103	-	-	235

Notes to standalone financial statements for the year ended 31 March 2020

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

	As at 31 March 2019				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	86	-	7	-	93
Foreign exchange contracts in an liability position	(7)	-	(7)	-	(14)
Net asset (liability)	79	-	-	-	79
Total derivatives at fair value	211	103	-	-	314

The following tables set forth the fair value of derivative instruments included in the balance sheets as at each date indicated:

	As at	
	31 March 2020	31 March 2019
Derivatives designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	2	132
Unrealized gain on financial instruments classified under non-current assets	-	103
Unrealized loss on financial instruments classified under current liabilities	(123)	-
Unrealized loss on financial instruments classified under non-current liabilities	(177)	-
	(298)	235
Derivatives not designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	52	79
Unrealized loss on financial instruments classified under current liabilities	(5)	-
	47	79

Maturity profile of derivative liabilities based on contractual payments is as below:

	As at	
	31 March 2020	31 March 2019
Within one year	128	-
One to two years	97	-
Two to three years	69	-
Three to five years	11	-
	305	-

The following table summarizes the activities in the statement of profit and loss:

	Year ended	
	31 March 2020	31 March 2019
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(396)	82
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "revenue"	131	45
Derivatives not in hedging relationships		
Gain or (loss) recognized into statement of profit and loss as "exchange differences"	-	(18)

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

The following table summarizes the activity in the accumulated 'Other comprehensive income' within equity related to all derivatives classified as cash flow hedges:

	Year ended	
	31 March 2020	31 March 2019
Gain as at the beginning of the year	207	170
Unrealized gain (loss) on cash flow hedging derivatives during the year	(396)	82
Net loss (gain) reclassified into revenue on occurrence of hedged transactions	(131)	(45)
Gain (loss) as at the end of the year	(320)	207
Deferred tax asset (liability)	53	(36)
Cash flow hedging reserve (net of tax)	(267)	171

The estimated net amount of existing loss that is expected to be reclassified into the statement of profit and loss within the next twelve months is of ₹ 140 crores (31 March 2019, gain of ₹ 110 crores).

Basis the Company hedging policy, management has performed assessment of COVID- 19 pandemic's impact for any change in probability of occurrence of the forecasted transactions, counter party credit risk and own credit risk, and believes that there is no impact on effectiveness of its hedges.

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2020 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments (other than in subsidiaries)	2,977	3,691	-	6,668
Trade receivables	-	-	7,504	7,504
Cash and cash equivalents	-	-	1,291	1,291
Loans	-	-	3,391	3,391
Others (refer note 3.6)	52	2	4,184	4,238
Total	3,029	3,693	16,370	23,092
Financial liabilities				
Borrowings	-	-	160	160
Trade payables	-	-	2,273	2,273
Lease liabilities	-	-	832	832
Others (refer note 3.14)	5	300	9,076	9,381
Total	5	300	12,341	12,646

Notes to standalone financial statements for the year ended 31 March 2020

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

The carrying value of financial instruments by categories as at 31 March 2019 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments (other than in subsidiaries)	776	1,226	-	2,002
Trade receivables	-	-	6,245	6,245
Cash and cash equivalents	-	-	4,523	4,523
Other bank balances	-	-	1,750	1,750
Loans	-	-	1,599	1,599
Others (refer note 3.6)	79	235	2,270	2,584
Total	855	1,461	16,387	18,703
Financial liabilities				
Borrowings	-	-	32	32
Trade payables	-	-	2,367	2,367
Others (refer note 3.14)	-	-	2,302	2,302
Total	-	-	4,701	4,701

Transfer of financial assets

The Company and its subsidiaries have revolving accounts receivables based facilities of ₹ 1,521 crores 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 Company at any time during the year was ₹ 712 crores (previous year, ₹ 140 crores). Outstanding utilization by the company against this facility as of 31 March 2020 is ₹ 319 crores (31 March 2019, ₹ 140 crores).

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2020 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	2,977	2,977	-	-
Investments carried at fair value through other comprehensive income	3,691	-	3,691	-
Unrealized gain on derivative financial instruments	54	-	54	-
Liabilities				
Unrealized loss on derivative financial instruments	305	-	305	-

During the year, w.e.f. 1 July 2019, the fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2 as against earlier classification as Level 1.

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

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March 2019 and the basis for that measurement:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	776	776	-	-
Investments carried at fair value through other comprehensive income	1,226	1,226	-	-
Unrealized gain on derivative financial instruments	314	-	314	-
Liabilities				
Unrealized loss on derivative financial instruments	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the year.

Valuation methodologies

Investments: The Company's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2.

Derivative financial instruments: The Company's derivative financial instruments consist of foreign currency forward exchange contracts and options. Fair values for derivative financial instruments are based on broker quotations and are classified as Level 2.

The Company assessed that fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial assets measured using level 1 inputs primarily include investment securities in liquid debt funds and the fair value being marked to an active market which factors the impact of COVID-19, we do not expect material volatility in these financial assets.

Financial assets and liabilities measured using level 2 inputs which include investment in debt securities and derivative financial instruments, and financial assets measured at amortised cost which include cash and cash equivalents and deposits with banks and corporations, have been assessed basis counterparty credit risk.

Trade receivables, unbilled receivables, finance lease receivables and contract assets have been valued after making reserve for allowances based on the expected credit loss method, considering factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals, considering impact of COVID-19 impact on customers and related customer verticals.

(c) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations and the Company's net investments in foreign branches.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the respective branches and foreign currency forecasted revenue and cash flows. A significant portion of the Company revenue is in US Dollar, Pound Sterling (GBP) and Euro while a large portion of costs are in Indian rupees. The fluctuation in exchange rates in respect to the Indian rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

Notes to standalone financial statements for the year ended 31 March 2020

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

To mitigate the foreign currency risk the Company uses derivatives as 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.

Appreciation/depreciation of 1% in respective foreign currencies with respect to functional currency of the Company and its branches would result in decrease/increase in the Company's profit before tax by approximately ₹ 27 crores for the year ended 31 March 2020.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March 2020 and 31 March 2019 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
USD / INR	8,039	7,548	9,166	2,196
GBP / INR	533	205	107	80
EURO / INR	467	405	280	91

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing investments. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, unbilled receivables, finance lease receivables, investment securities and derivative instruments. The cash resources of the Company are invested with mutual funds, banks, financial institutions and corporations after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables and finance lease receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables, unbilled receivables and finance lease receivables .

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2020	31 March 2019
Balance at the beginning of the year	125	130
Additional provision during the year	112	39
Deductions on account of write offs and collections	(37)	(44)
Effect of exchange rates changes	2	-
Balance at the end of the year	202	125

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Notes to standalone financial statements for the year ended 31 March 2020

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

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2020					
Borrowings	32	27	65	93	217
Trade payables	2,273	-	-	-	2,273
Lease liabilities	213	184	164	480	1,041
Deferred consideration	6,389	378	-	-	6,768
Derivative financial liabilities	128	97	69	11	305
Other financial liabilities	2,487	10	-	-	2,497
Total	11,522	696	298	584	13,100
As at 31 March 2019					
Borrowings	18	15	10	7	50
Trade payables	2,367	-	-	-	2,367
Other financial liabilities	2,283	1	-	-	2,284
Total	4,668	16	10	7	4,701

3.30 Employee benefits

The Company has calculated the various benefits provided to employees as given 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	
	31 March 2020	31 March 2019
Superannuation Fund	7	4
Employer's contribution to Employees State Insurance	9	12
Employer's contribution to Employee's Pension Scheme	127	105
Total	143	121

The Company has contributed ₹ 20 crores (previous year, ₹ 19 crores) towards other foreign defined contribution plans.

B. Defined benefit plans

a) Gratuity

b) Employer's contribution to provident fund

Gratuity

The following table sets out the status of the gratuity plan :

Statement of profit and loss

	Year ended	
	31 March 2020	31 March 2019
Current Service cost	105	82
Past service cost	-	3
Interest cost (net)	30	26
Net benefit expense	135	111

Notes to standalone financial statements for the year ended 31 March 2020

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

Balance Sheet

	As at	
	31 March 2020	31 March 2019
Defined benefit obligations	601	464
Fair value of plan assets	18	16
	583	448
Less: Unrecognized past service cost	-	-
Net plan liability	583	448
Current defined benefit obligations	80	73
Non-current defined benefit obligations	503	375

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

	Year ended	
	31 March 2020	31 March 2019
Opening defined benefit obligations	464	394
Current service cost	105	82
Past Service Cost	-	3
Interest cost	31	27
Re-measurement gains (losses) in OCI		
Actuarial changes arising from changes in financial assumptions	58	13
Experience adjustments	(18)	(27)
Benefits paid	(39)	(28)
Closing defined benefit obligations	601	464

Changes in fair value of the plan assets are as follows:

	Year ended	
	31 March 2020	31 March 2019
Opening fair value of plan assets	16	14
Interest income	1	1
Contributions	41	26
Re-measurement gains (losses) in OCI		
Return on plan assets, excluding amount recognized in interest income	-	(1)
Benefits paid	(40)	(24)
Closing fair value of plan assets	18	16

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 Company's plans are shown below:

	As at	
	31 March 2020	31 March 2019
Discount rate	6.60%	7.20%
Estimated Rate of salary increases	8.00%	7.00%
Employee Turnover	24.00%	22.00%
Expected rate of return on assets	6.60%	7.20%

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 standalone financial statements for the year ended 31 March 2020

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

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligations are particularly sensitive. The following table summarizes the impact on defined benefit obligations as at 31 March 2020 arising due to an increase/decrease in key actuarial assumptions by 50 basis points:

	Discount rate	Salary escalation rate
Impact of increase	(20)	20
Impact of decrease	21	(19)

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in market conditions. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analysis.

The defined benefit obligations are expected to mature after 31 March 2020 as follows:

Year ending 31 March	Cash flows
- 2021	85
- 2022	91
- 2023	102
- 2024	123
- 2025	131
- Thereafter	2,708

The weighted average duration of the payment of these cash flows is 6.90 years.

Employer's contribution to provident fund

The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India based on the assumption mentioned below and there is no shortfall as at 31 March, 2019.

The details of the fund and plan asset position are given below:-

	31 March 2020	31 March 2019
Fair value of plan assets at the year end	4,009	3,391
Present value of benefit obligation at year end	4,050	3,391
Net liability recognized in balance sheet (refer note 3.15)	(41)	-

The amount for the year ended 31 March 2020 has been recognized in the other comprehensive income.

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

	31 March 2020	31 March 2019
Government of India (GOI) bond yield	6.60%	7.20%
Remaining term of maturity	8.00 years	8.00 years
Expected guaranteed interest rate	8.50%	8.65%

During the year ended 31 March 2020, the Company has contributed ₹ 178 crores (previous year, ₹ 141 crores) towards employer's contribution to provident fund.

Notes to standalone financial statements for the year ended 31 March 2020

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

3.31 Related party transactions

a) Related parties where control exists

List of subsidiaries as at 31 March 2020 and 31 March 2019 is as below:

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at	
			31 March 2020	31 March 2019
Direct subsidiaries				
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	100%	100%
6	HCL Foundation (Company incorporated under Section 8 of the Companies Act, 2013) \$	India	100%	100%
7	HCL Singapore Pte. Limited	Singapore	100%	100%
8	Geometric Americas, Inc.	USA	100%	100%
9	HCL Asia Pacific Pte Ltd (Formely "Geometric Asia Pacific Pte. Ltd")	Singapore	100%	100%
10	Geometric Europe GmbH	Germany	100%	100%
11	Sankalp Semiconductor Private Limited #	India	100%	-
12	H C L Technologies Lanka (Private) Limited ^	Sri Lanka	100%	-
Step down subsidiaries of direct subsidiaries				
13	HCL Great Britain Limited	UK	100%	100%
14	HCL (Netherlands) BV	Netherlands	100%	100%
15	HCL Belgium NV	Belgium	100%	100%
16	HCL Sweden AB	Sweden	100%	100%
17	HCL GmbH	Germany	100%	100%
18	HCL Italy SRL *	Italy	-	100%
19	HCL Australia Services Pty. Limited	Australia	100%	100%
20	HCL (New Zealand) Limited	New Zealand	100%	100%
21	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
22	HCL Japan Limited	Japan	100%	100%
23	HCL America Inc.	USA	100%	100%
24	HCL Technologies Austria GmbH	Austria	100%	100%
25	HCL Software Products Limited (formely "HCL Global Processing Services Limited")	India	100%	100%
26	HCL Technologies Solutions Limited	India	100%	100%
27	HCL Poland Sp.z.o.o	Poland	100%	100%
28	HCL EAS Limited	UK	100%	100%
29	HCL Insurance BPO Services Limited	UK	100%	100%
30	Axon Group Limited	UK	100%	100%
31	HCL Canada Inc. (Formely "HCL Axon Technologies Inc.")	Canada	100%	100%
32	HCL Technologies Solutions GmbH	Switzerland	100%	100%
33	Axon Solutions Pty. Limited	Australia	100%	100%
34	Axon Solutions Limited	UK	100%	100%
35	HCL Technologies Malaysia Sdn. Bhd. (Formely "HCL Axon Malaysia Sdn. Bhd.")	Malaysia	100%	100%
36	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%
37	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
38	HCL Technologies (Proprietary) Ltd (Formely "HCL Axon (Proprietary) Limited")	South Africa	48.16%	100%
39	HCL Argentina s.a.	Argentina	100%	100%
40	HCL Mexico S. de R.L.	Mexico	100%	100%
41	HCL Technologies Romania s.r.l.	Romania	100%	100%

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at	
			31 March 2020	31 March 2019
42	HCL Hungary Kft	Hungary	100%	100%
43	HCL Latin America Holding LLC	USA	100%	100%
44	HCL (Brazil) Tecnologia da informacao EIRELI (Formerly known as HCL (Brazil) Tecnologia da informacao Ltda.)	Brazil	100%	100%
45	HCL Technologies Denmark Aps	Denmark	100%	100%
46	HCL Technologies Norway AS	Norway	100%	100%
47	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
48	HCL Technologies Philippines Inc.	Philippines	100%	100%
49	HCL Technologies South Africa (Proprietary) Limited	South Africa	36.40%	100%
50	HCL Arabia LLC	Saudi Arabia	100%	100%
51	HCL Technologies France SAS	France	100%	100%
52	Filial Espanola De HCL Technologies S.L	Spain	100%	100%
53	Anzospan Investments Pty Limited	South Africa	70%	100%
54	HCL Investments (UK) Limited	UK	100%	100%
55	Statestreet HCL Holding UK Limited **	UK	100%	100%
56	Statestreet HCL Services (Phillipines) Inc. **	Philippines	100%	100%
57	Statestreet HCL Services (India) Private Limited **	India	100%	100%
58	HCL America Solutions Inc.	USA	100%	100%
59	HCL Technologies Chile Spa	Chile	100%	100%
60	HCL Technologies UK Limited	UK	100%	100%
61	HCL Technologies B.V.	Netherlands	100%	100%
62	HCL (Ireland) Information Systems Limited	Ireland	100%	100%
63	HCL Technologies Germany GmbH	Germany	100%	100%
64	HCL Technologies Belgium BVBA	Belgium	100%	100%
65	HCL Technologies Sweden AB	Sweden	100%	100%
66	HCL Technologies Finland Oy	Finland	100%	100%
67	HCL Technologies Italy S.P.A	Italy	100%	100%
68	HCL Technologies Columbia S.A.S	Columbia	100%	100%
69	HCL Technologies Middle East FZ-LLC	UAE	100%	100%
70	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	100%
71	HCL Technologies Greece Single Member P.C	Greece	100%	100%
72	HCL Technologies S.A.	Venezuela	100%	100%
73	HCL Technologies Beijing Co., Ltd	China	100%	100%
74	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	100%
75	HCL Technologies Egypt Limited	Egypt	100%	100%
76	HCL Technologies Estonia OÜ	Estonia	100%	100%
77	HCL Technologies (Thailand) Ltd.	Thailand	100%	100%
78	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	100%
79	HCL Muscat Technologies L.L.C.	Oman	100%	100%
80	Concept2Silicon Systems Private Limited	India	100%	100%
81	Powerteam LLC	USA	100%	100%
82	Point to Point Limited	UK	100%	100%
83	Point to Point Products Limited	UK	100%	100%
84	HCL Technologies Lithuania UAB	Lithuania	100%	100%
85	HCL Technologies (Taiwan) Ltd.	China	100%	100%
86	Geometric China, Inc.	China	100%	100%
87	Geometric SRL	Romania	100%	100%

Notes to standalone financial statements for the year ended 31 March 2020

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

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at	
			31 March 2020	31 March 2019
88	Geometric SAS	France	100%	100%
89	Butler America Aerospace LLC	USA	100%	100%
90	Urban Fulfillment Services LLC	USA	100%	100%
91	Datawave (An HCL Technologies Company) Limited (formely known as "ETL Factory Limited")	Scotland	100%	100%
92	HCL Technologies Corporate Services Limited	UK	100%	100%
93	HCL Training & Staffing Services Private Limited	India	100%	100%
94	C3i Support Services Private Limited	India	100%	100%
95	Telerx Marketing Inc.	USA	100%	100%
96	C3i Europe Eood	Bulgaria	100%	100%
97	C3i (UK) Limited	UK	100%	100%
98	C3i Japan GK	Japan	100%	100%
99	C3i Services & Technologies (Dalian) Co., Ltd	China	100%	100%
100	HCL Technologies SEP Holdings Inc	USA	80%	80%
101	Actian Corporation	USA	80%	80%
102	Actian Australia Pty Ltd	Australia	80%	80%
103	Actian Europe Limited	UK	80%	80%
104	Actian France	France	80%	80%
105	Actian Germany GmbH	Germany	80%	80%
106	Actian International, Inc.	USA	80%	80%
107	Actian Netherlands B.V.	Netherlands	80%	80%
108	Actian Netherlands Holding B.V. !	Netherlands	-	80%
109	Actian Technology Private Limited	India	80%	80%
110	ParAccel LLC *	USA	-	80%
111	Pervasive Software, Inc.	USA	80%	80%
112	POET Holdings, Inc.*	USA	-	80%
113	Versant GmbH	Germany	80%	80%
114	Versant India Private Limited	India	80%	80%
115	Versant Software LLC	USA	80%	80%
116	Honigsberg & Duvel Datentchnik GMBH	Germany	100%	100%
117	H&D Business Services GmbH	Germany	100%	100%
118	H&D IT Solutions GmbH	Germany	100%	100%
119	H&D Training und Consulting GmbH	Germany	100%	100%
120	H&D International GmbH	Germany	100%	100%
121	H&D IT Professional Services GmbH	Germany	100%	100%
122	qmo-it GmbH	Germany	100%	100%
123	H&D Services for Engineering GmbH	Germany	100%	100%
124	Hönigsberg & Düvel Datentechnik Czech s.r.o.	Czech Republic	100%	100%
125	Hönigsberg & Düvel Corporation	USA	100%	100%
126	CATIS GmbH	Germany	100%	100%
127	H&D IT Automotive Services GmbH	Germany	100%	100%
128	CA Management Services GmbH	Germany	100%	100%
129	H&D ITAS Infrastructure Services GmbH	Germany	100%	100%
130	H&D ITAS Application Services GmbH	Germany	100%	100%
131	H&D ITAS Client Services GmbH	Germany	100%	100%
132	H&D ITAS Süd GmbH	Germany	100%	100%
133	HCL Technologies Vietnam Company Limited	Vietnam	100%	100%

Notes to standalone financial statements for the year ended 31 March 2020

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

S. No.	Name of the Subsidiaries	Country of Incorporation	Percentage holding as at	
			31 March 2020	31 March 2019
134	HCL Guatemala, Sociedad Anonima	Guatemala	100%	100%
135	Sankguj Semiconductor Private Limited #	India	100%	-
136	Sankalp Semiconductor Inc. #	Canada	100%	-
137	Sankalp USA Inc. #	USA	100%	-
138	Sankalp Semiconductor GmbH. #	Germany	100%	-
139	Sankalp Semiconductor SDN.BHD. #	Malaysia	100%	-
140	CeleritiFintech GmbH #*	Germany	-	-
141	Strong-Bridge Holding, INC#*	America	-	-
142	Strong-Bridge LLC #*	America	-	-
143	Envision Business Consulting, LLC #*	America	-	-
144	HCL TECHNOLOGIES TRINIDAD AND TOBAGO LIMITED [^]	Trinidad and Tobago	100%	-
145	HCL Technologies Azerbaijan Limited Liability Company [^]	Azerbaijan	100%	-
146	HCL Technologies Bulgaria EOOD [^]	Bulgaria	100%	-
147	HCL Technologies (Vietnam) Company Limited [^]	Vietnam	100%	-

\$ The objective of the parent is not to obtain economic benefit from the Company.

! Dissolved during the year

* Merged during the year

** The Group has equity interest of 49% and 100% dividend rights and control

[^] Incorporated during the year

Acquired during the year

Employee benefit trusts

Hindustan Instruments Limited Employees Provident Fund Trust

HCL Consulting Limited Employees Superannuation Scheme

HCL Comnet System and Services Limited Employees Provident Fund Trust

HCL Technologies Employees Group Gratuity Trust

HCL South Africa Share Ownership Trust

HCL Technologies Stock Options Trust

C3i Support Services Employees Gratuity Trust

Sankalp Stock Trust (acquired during the year)

Sankalp Semi Conductor Private Limited Employees Group Trust (acquired during the year)

Key Management Personnel

Mr. Shiv Nadar – Chairman and Chief Strategy Officer

Mr. C. Vijayakumar – President and Chief Executive Officer

Mr. Prateek Aggarwal – Chief Financial Officer (w.e.f. 1 October 2018)

Mr. Manish Anand – Company Secretary

Mr. Anil Chanana – Chief Financial Officer (upto 1 October 2018)

Non-Executive & Independent Directors

Mr. Ramanathan Srinivasan

Ms. Robin Ann Abrams

Dr. Sosale Shankara Sastry

Mr. Subramanian Madhavan

Mr. Thomas Sieber

Ms. Nishi Vasudeva

Mr. Deepak Kapoor

Mr. James Philip Adamczyk (appointed w.e.f. 26 July 2018 and ceased to be Director w.e.f. 9 October 2019)

Mr. Mohan Chellappa (appointed w.e.f. 6 August 2019)

Mr. Simon John England (appointed w.e.f. 16 January 2020)

Mr. Keki Mistry (ceased to be Director w.e.f. 30 April 2018)

Non-Executive & Non-Independent Directors

Ms. Roshni Nadar Malhotra

Mr. Shikhar Neelkamal Malhotra (appointed w.e.f. 22 October 2019)

Mr. Sudhindar Krishan Khanna (ceased to be Director w.e.f. 8 April 2019)

Notes to standalone financial statements for the year ended 31 March 2020

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

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

Others (Significant influence)

HCL Infosystems Limited	SSN Trust
HCL Avitas Private Limited	HCL IT City Lucknow Private Limited
Vama Sundari Investments (Delhi) Private Limited	HCL Infotech Limited
HCL Corporation Private Limited	Shiv Nadar University
SSN Investments (Pondi) Private Limited	HCL Holding Private Limited
Naksha Enterprises Private Limited	Shiv Nadar Foundation
HCL Insys. Pte. Limited, Singapore (ceased to be related party w.e.f. 15 November 2019)	

Transactions with related parties during the normal course of business	Subsidiaries		Significant influence	
	Year ended		Year ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenues from operations	13,961	11,341	6	23
Other expenses (refer below note)	6,492	4,430	240	262
Dividend paid	-	-	814	656
Interest income	1	3	1	1
Dividend income	47	17	-	-
Investments	399	-	-	-
Receipt for use of facilities	-	1	-	-
Depreciation charge on right-of-use assets	-	-	31	-
Interest expesne on the lease liability	-	-	8	-
Purchase of capital equipments	-	-	1	-
Proceeds from loan extended	-	21	-	-

Note: Other expenses include outsourcing cost and cost of goods sold also.

Material related party transactions	Year ended	
	31 March 2020	31 March 2019
Revenues from operations		
HCL America Inc.	1,948	3,595
Other expenses		
HCL America Inc.	4,772	2,898
Dividend paid		
Vama Sundari Investments (Delhi) Private Limited	582	469
HCL Holding Private Limited	223	187

Transactions with Key Managerial personnel during the year	Year ended	
	31 March 2020	31 March 2019
Compensation		
- Short-term employee benefits from company	4	5
- Short-term employee benefits from subsidiaries	33	34
- Other long term benefits from company	1	-
- Other long term benefits from subsidiaries	89	-
- Termination benefits from company	-	1

Notes to standalone financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

Transactions with Directors during the year	Year ended	
	31 March 2020	31 March 2019
Commission & other benefits to Directors (includes sitting fees)	9	8

Outstanding balances	Subsidiaries		Significant influence	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Trade receivables	4,110	2,945	5	9
Unbilled receivable	1,229	861	-	1
Unsecured loans*	11	9	-	-
Deferred contract cost	41	-	-	19
Advance to supplier	71	85	-	-
Interest receivables	6	5	-	-
Security deposits	-	-	20	19
Prepaid expenses	-	-	15	27
Trade payables	2,135	2,209	3	2
Advance received from customers	-	49	-	-
Contract liabilities	552	539	-	1
Capital accounts payables (including supplier credit)	-	-	1	3
Guarantee outstanding**	365	352	-	-
Lease liabilities	-	-	113	-
Right-of-use assets	-	-	110	-
Liabilities for expense	545	316	23	30
Supplier credit	-	-	158	161

* Unsecured loan includes loan outstanding with Geometric Europe GmbH which is given for working capital management and repayable on demand.

**** Detail of guarantee outstanding**

	31 March 2020	31 March 2019
HCL America Inc.	38	35
HCL Insurance BPO Services Ltd.	327	317
	365	352

Material related party balances with HCL America Inc.	Year ended	
	31 March 2020	31 March 2019
Trade receivables	750	364
Unbilled receivable	364	224
Advance to supplier	8	6
Trade payables	1,543	1,504
Contract liabilities	57	231
Liabilities for expense	266	167

Notes to standalone financial statements for the year ended 31 March 2020

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

3.32 Research and development expenditure

	Year ended	
	31 March 2020	31 March 2019
Revenue	381	229
Capital	-	-
	381	229

3.33 Commitments and contingent liabilities

	As at	
	31 March 2020	31 March 2019
i) Capital and other commitments		
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	318	262
ii) Contingent liabilities		
Others	-	1
	318	263

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2020.

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 ₹ 365 crores (31 March 2019, ₹ 352 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.

3.34 Payment to auditors

	Year ended	
	31 March 2020	31 March 2019
Audit fees	3	4
Other services (Tax audit fees, certification and out of pocket expenses)	1	1
	4	5

Notes to standalone financial statements for the year ended 31 March 2020

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

3.35 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 31 March 2020		For the year ended 31 March 2019	
	Principal	Interest	Principal	Interest
Amount due to vendors	-	-	2	-
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	-	-	-	-

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

3.36 Corporate social responsibility

As required by section 135 of the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ₹ 173 crores (31 March 2019, ₹ 144 crores) and the amount spent during the year is ₹ 175 crores (31 March 2019, ₹ 125 crores).

3.37 Segment Reporting

As per Ind AS 108 ‘Operating Segments’, the Company has disclosed the segment information only as part of the consolidated financial results.

3.38 Subsequent events

The Board of Directors in their meeting on 7 May 2020 recommended a final dividend of ₹ 2 per equity share for the financial year ended 31 March 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company.

As per our report of even date attached

FOR B S R & Co. LLP
Chartered Accountants

Firm’s Registration No. : 101248W/W-100022

Vikram Advani
Partner

Membership Number: 091765

Gurugram, India
7 May 2020

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
Chairman and
Chief Strategy Officer

Prateek Aggarwal
Chief Financial Officer

Noida (UP), India
7 May 2020

S. Madhavan
Director

Prahlad Rai Bansal
Deputy Chief Financial Officer

C. Vijayakumar
President and
Chief Executive Officer

Manish Anand
Company Secretary

Consolidated Ind AS Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of HCL Technologies Limited

flows for the year then ended.

Report on the Audit of Consolidated Financial Statements

Basis for Opinion

Opinion

We have audited the consolidated financial statements of HCL Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue Recognition on fixed price contracts (See note 1(g) and 3.19 to the consolidated financial statements)	
<p>Revenue and onerous obligation in respect of open fixed price contracts involves critical estimates as there is an inherent and presumed fraud risk involved around the recognition of revenue, given the customized and complex nature of these contracts.</p> <p>Estimation of effort is a critical estimate to determine revenue and liability for onerous obligations for open fixed price contracts. The estimate has a high inherent uncertainty as it requires consideration of progress of contracts, efforts incurred till date and efforts required to complete the remaining contract performance obligations.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • evaluating the design, implementation and operating effectiveness of internal controls relating to estimation of efforts required and recording of efforts incurred to complete the remaining contract performance obligations. • obtaining an understanding of the systems, processes and controls implemented by management for recording and computing revenue and associated contract assets, and unearned and deferred revenue balances. • involving our Information Technology ('IT') specialists to assess the design, implementation and operating effectiveness of key IT controls over the IT environment in which business systems operate, including IT general controls and application controls pertaining to allocation of resources and budgeting systems which prevents unauthorized changes to recording of costs incurred and controls relating to the estimation of contract costs required to complete the project. • selecting specific/statistical samples of contracts and testing revenue recognition and estimation of onerous obligation, if any, by performing the following procedures. <ul style="list-style-type: none"> - evaluating identification of performance obligation and allocation of transaction price to each performance obligation. - performing retrospective review of the costs incurred with estimated costs to identify significant variations and verifying variations have been considered in estimating the remaining costs to complete the contract; and

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> - assessing the appropriateness of work in progress (contract assets) on balance sheet date by verifying the underlying information and identify possible changes in estimated costs to complete the remaining performance obligations.
Recognition and Measurement of Intangibles in Acquisition of Select IBM Software products (See note 1(j) and 3.3 to the consolidated financial statements)	
<p>The Group completed the acquisition of Select IBM Software products on 30 June 2019 and accounted for this acquisition as a business combination as per Ind AS 103.</p> <p>Accounting for business combinations can involve judgments in relation to the assessment of the fair values of assets and liabilities that are recognised on acquisition, particularly the allocation of purchase consideration to identified intangibles assets.</p> <p>Fair value of intangible assets was determined by the Group with the assistance of an external valuation expert using various valuation models, which were applied according to the nature of assets being measured.</p> <p>This measurement was dependent on estimates of future cash flows which were based on the Group's internal forecasts as well as the cost of capital and obsolescence rate applied and is subject to uncertainty due to degree of judgment involved.</p> <p>There was complexity and judgment involved in recognition and fair value measurements of intangible assets identified and recognized in the business acquisition made by the Group.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • testing the design and operating effectiveness of the Group's key controls over accounting for identified intangibles assets in a business combination. • inspecting documentation pertaining to the acquisition to understand the key terms and conditions of the acquisition and assessing the proposed accounting treatment for the identified intangibles in relation to the Group's accounting policies and relevant Ind AS. • assessing the competence, capabilities and objectivity of external experts engaged by the Group and gaining an understanding of the work of the experts by evaluating the valuation reports. • evaluating the reasonableness of Group's key assumptions such as discount rate, future cash flows, obsolescence and period of amortization. Further, we assessed provisional purchase price allocation and the recognition and measurement of acquired intangible assets based on our knowledge of the Group and the industry. • using our internal valuation specialists to evaluate the appropriateness of the methodology and key assumptions used in allocation of the purchase price to acquired intangible assets; and • assessing the adequacy of the Group's disclosures in respect of the acquisition in accordance with the relevant accounting standards.
Evaluation of tax positions and litigations (See note 1(h) and 3.25 to the consolidated financial statements)	
<p>The Group operates in multiple global jurisdictions which requires it to estimate its income tax liabilities according to the tax laws of the respective tax jurisdictions. Further, there are matters of interpretation in terms of application of tax laws and related rules to determine current tax provision and deferred taxes.</p> <p>The Group has material tax positions and litigations on a range of tax matters primarily in India and the United States of America (US). This requires management to make significant judgments to determine the possible outcome of uncertain tax positions and litigations and their consequent impact on related accounting and disclosures in the consolidated financial statements.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • testing the design and operating effectiveness of the Group's key controls over identifying uncertain tax positions and matters involving litigations/disputes. • obtaining details of tax positions and tax litigations for the year and as at 31 March 2020 and holding discussions with designated management personnel. • assessing and analysing select key correspondences with tax authorities and inspecting external legal opinions obtained by management for key uncertain tax positions and tax litigations. • evaluating underlying evidence and documentation to determine whether the information provides a basis for amounts reserved/not reserved in the books of account. • involving our internal tax specialists and evaluating management's underlying key assumptions in estimating the tax provisions and estimate of the possible outcome of significant tax litigations; and • in respect of tax positions and litigation, assessing the computation of provisions and consequent impact on related accounting and disclosures in the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Adoption of Ind AS 116, Leases (See note 1(m) and 3.28(a) to the consolidated financial statements)	
<p>The Group has adopted Ind AS 116, Leases, with effect from 1 April 2019. The Group has chosen to apply Ind AS 116 under the modified retrospective approach. Therefore, the Comparative information has not been adjusted and continues to be reported under Ind AS 17.</p> <p>The application and transition to this accounting standard is complex and is an area of focus in our audit since the Group has a large number of leases with different contractual terms.</p> <p>As a result of the Group's adoption of this new standard, several judgements have been applied and estimates made in determining the impact of the standard.</p> <p>A significant data extraction exercise was undertaken by management to summarize the leases, such that the respective inputs could be uploaded into management's model. Our key audit matter was focused on the following areas of risk:</p> <ul style="list-style-type: none"> - The underlying data of leasing arrangements identified and used to calculate the transitional impact under Ind AS 116 may be incomplete and/or inaccurate; - Specific assumptions applied to determine the lease term and discount rates may be inappropriate; and - The disclosures in the consolidated financial statements may not be in accordance with the applicable financial reporting framework. 	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • testing the design and implementation of controls pertaining to recognition and measurement of leases under Ind AS 116; • evaluating the method of transition and related adjustments; • testing completeness of the lease data by reconciling the Group's operating lease commitments to data used in computing ROU asset and the lease liabilities and reviewing the residual rent expenses, security deposits and other expenses to identify potential lease contracts; • verifying the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other related information, and checked the accuracy of Ind AS 116 calculations for each lease sampled, through recalculation of the expected Ind AS 116 adjustment; • assessing the appropriateness of the discount rates applied in determining lease liabilities with inputs from third parties and evaluated the reasonability of discount rates through involvement of our specialists, on sample basis; and • assessing the presentation and disclosures, including those relating to transition within the consolidated financial statements, with the applicable financial reporting framework.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities;

the 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 controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of the entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Attention is drawn to the fact that the corresponding figures for the year ended 31 March 2019 are based on the previously issued consolidated financial statements of the Group that were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on 9 May 2019.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and on the basis of written representation received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2020, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

- i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 3.34 to the consolidated financial statements;
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020;
- iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2020; and
- iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies which are incorporated in India to its respective directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN.:20091765AAAABE9078

Place: Gurugram, India
Date: 7 May 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of HCL Technologies Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of HCL Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit

evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765
ICAI UDIN.:20091765AAAABE9078

Place: Gurugram, India
Date: 7 May 2020

Consolidated Balance Sheet as at 31 March 2020
(All amounts in crores of ₹)

	Note No.	As at	
		31 March 2020	31 March 2019
I ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	5,494	5,293
(b) Capital work in progress		400	235
(c) Right-of-use assets	3.28	2,648	-
(d) Goodwill	3.2	16,154	9,061
(e) Other intangible assets	3.3	13,194	8,534
(f) Financial assets			
(i) Investments	3.4	77	85
(ii) Loans	3.5	-	355
(iii) Others	3.6	2,373	1,201
(g) Deferred tax assets (net)	3.25	2,317	2,455
(h) Other non-current assets	3.7	1,829	1,634
(2) Current assets			
(a) Inventories	3.8	91	91
(b) Financial assets			
(i) Investments	3.4	6,989	2,220
(ii) Trade receivables	3.9	14,131	11,706
(iii) Cash and cash equivalents	3.10(a)	4,848	5,934
(iv) Other bank balances	3.10(b)	128	1,938
(v) Loans	3.5	3,422	1,312
(vi) Others	3.6	6,464	4,569
(c) Current tax assets (net)		157	128
(d) Other current assets	3.11	2,190	1,824
TOTAL ASSETS		82,906	58,575
II EQUITY			
(a) Equity share capital	3.12	543	271
(b) Other equity		50,724	41,095
Equity attributable to shareholders of the Company		51,267	41,366
Non controlling interest		154	103
TOTAL EQUITY		51,421	41,469
III LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	2,848	2,977
(ii) Lease liabilities	3.28	2,179	-
(iii) Others	3.14	1,194	536
(b) Provisions	3.15	1,048	821
(c) Deferred tax liabilities (net)	3.25	87	226
(d) Other non-current liabilities	3.16	399	247
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.13	1,845	724
(ii) Trade payables	3.17	1,166	1,305
(iii) Lease liabilities	3.28	715	-
(iv) Others	3.14	14,340	6,950
(b) Other current liabilities	3.18	3,889	1,810
(c) Provisions	3.15	706	586
(d) Current tax liabilities (net)		1,069	924
TOTAL EQUITY AND LIABILITIES		82,906	58,575
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

FOR B S R & Co. LLP
Chartered Accountants

Firm's Registration No. : 101248W/W-100022

Vikram Advani
Partner

Membership Number: 091765

Gurugram, India
7 May, 2020

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
Chairman and
Chief Strategy Officer

Prateek Aggarwal
Chief Financial Officer

Noida (UP), India
7 May 2020

S. Madhavan
Director

Prahlad Rai Bansal
Deputy Chief Financial Officer

C. Vijayakumar
President and
Chief Executive Officer

Manish Anand
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in crores of ₹)

	Note No.	Year ended	Year ended
		31 March 2020	31 March 2019
I Revenue			
Revenue from operations	3.19	70,676	60,427
Other income	3.20	589	943
Total income		71,265	61,370
II Expenses			
Purchase of stock-in-trade		1,536	1,615
Changes in inventories of stock-in-trade	3.21	-	81
Employee benefits expense	3.22	34,928	29,283
Finance costs	3.23	505	174
Depreciation and amortization expense		3,420	2,073
Outsourcing costs		10,700	9,761
Other expenses	3.24	6,196	5,761
Total expenses		57,285	48,748
III Profit before tax		13,980	12,622
IV Tax expense	3.25		
Current tax		2,821	3,094
Deferred tax charge (credit)		102	(592)
Total tax expense		2,923	2,502
V Profit for the year		11,057	10,120
VI Other comprehensive income	3.26		
(A) (i) Items that will not be reclassified to statement of profit and loss		(85)	10
(ii) Income tax on items that will not be reclassified to statement of profit and loss		18	(2)
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		441	186
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		105	(4)
VII Total other comprehensive income		479	190
VIII Total comprehensive income for the year		11,536	10,310
Profit for the year attributable to			
Shareholders of the Company		11,057	10,120
Non-controlling interest		-	-
		11,057	10,120
Total comprehensive income for the year attributable to			
Shareholders of the Company		11,525	10,310
Non-controlling interest		11	-
		11,536	10,310
Earnings per equity share of ₹ 2 each	3.27		
Basic (in ₹)		40.75	36.79
Diluted (in ₹)		40.75	36.78
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

FOR B S R & Co. LLP
Chartered Accountants

Firm's Registration No. : 101248W/W-100022

Vikram Advani
Partner
Membership Number: 091765

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
Chairman and
Chief Strategy Officer

S. Madhavan
Director

C. Vijayakumar
President and
Chief Executive Officer

Prateek Aggarwal
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Gurugram, India
7 May 2020

Noida (UP), India
7 May 2020

Consolidated Statement of Changes in Equity for the year ended 31 March 2020
(All amounts in crores of ₹ except share data and as stated otherwise)

	Equity share capital			Reserves and Surplus							Other equity						Total Equity
	Number of shares	Share capital	Retained earnings	General reserve	Securities premium	Capital redemption reserve	Share based payment reserve	Special economic zone re-investment reserve	Foreign currency translation reserve	Cash flow hedging reserve	Debt instruments through other comprehensive income	Attributable to Shareholders of the Company	Non Controlling Interests				
														Share of ₹ 8 per share (including tax on dividend of ₹ 222 crores)	Share of ₹ 5 per share (including tax on dividend of ₹ 268 crores)	Share of ₹ 5 per share (including tax on dividend of ₹ 268 crores)	
Balance as at 1 April 2018	1,392,246,384	278	31,634	2,607	5	52	12	310	1,351	137	-	36,108	-	36,108			
Profit for the year	-	-	10,120	-	-	-	-	-	-	-	-	10,120	-	10,120			
Other comprehensive income (refer note 3.26)	-	-	8	-	-	-	-	-	146	34	2	190	-	190			
Total comprehensive income for the year	-	-	10,128	-	-	-	-	-	146	34	2	10,310	-	10,310			
Dividend of ₹ 8 per share (including tax on dividend of ₹ 222 crores)	-	-	(1,321)	-	-	-	-	-	-	-	-	(1,321)	-	(1,321)			
Buyback of equity shares (refer note 3.12)	(36,363,636)	(7)	(1,803)	(2,387)	(10)	7	-	-	-	-	-	(3,993)	-	(3,993)			
Expenses on buyback of equity shares (refer note 3.12)	-	-	(12)	-	-	-	-	-	-	-	-	(12)	-	(12)			
Transfer to special economic zone re-investment reserve	-	-	(440)	-	-	-	-	440	-	-	-	-	-	-			
Transfer from special economic zone re-investment reserve	-	-	310	-	-	-	-	(310)	-	-	-	-	-	-			
Transfer to retained earnings	-	-	265	(220)	-	(45)	-	-	-	-	-	-	-	-			
Shares issued for exercised options	396,120	-	-	-	7	-	(7)	-	-	-	-	-	-	-			
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	103	103			
Excess tax benefit from share-based payments	-	-	3	-	-	-	-	-	-	-	-	3	-	3			
Balance as at 31 March 2019	1,356,278,868	271	38,964	-	2	14	5	440	1,497	171	2	41,095	103	41,198			
Profit for the year	1,356,278,868	271.3	38,964	-	2	14	5	440	1,497	171	2	41,095	103	41,198			
Other comprehensive income (refer note 3.26)	-	-	11,057	-	-	-	-	-	-	-	-	11,057	-	11,057			
Total comprehensive income for the year	-	-	(67)	-	-	-	-	-	1,016	(478)	(3)	468	11	479			
Dividend of ₹ 5 per share (including tax on dividend of ₹ 268 crores)	-	-	(1,625)	-	-	-	-	-	-	-	-	(1,625)	-	(1,625)			
Issue of bonus shares (refer note 3.12)	1,356,832,548	271.4	(271)	-	-	-	-	-	-	-	-	(271)	-	(271)			
Transfer to special economic zone re-investment reserve	-	-	(726)	-	-	-	-	726	-	-	-	-	-	-			
Transfer from special economic zone re-investment reserve	-	-	440	-	-	-	-	(440)	-	-	-	-	-	-			
Shares issued for exercised options	553,680	-	-	-	5	-	(5)	-	-	-	-	-	-	-			
Change in non-controlling interest (refer note 3.35)	-	-	-	-	-	-	-	-	-	-	-	-	40	40			
Balance as at 31 March 2020	2,713,665,096	543	47,772	-	7	14	-	726	2,513	(307)	(1)	50,724	154	50,878			

Refer note 1 for summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

FOR B S R & Co. LLP

Chartered Accountants

Firm's Registration No. : 101248/WV-100022

Vikram Advani

Partner

Membership Number: 091765

Gurgaon, India

7 May 2020

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar

Chairman and

Chief Strategy Officer

Prateek Aggarwal

Chief Financial Officer

Noida (UP), India

7 May 2020

S. Madhavan

Director

Prahlad Rai Bansal

Deputy Chief Financial Officer

C. Vijayakumar

President and

Chief Executive Officer

Manish Anand

Company Secretary

Consolidated Statement of Cash flows for the year ended 31 March 2020

(All amounts in crores of ₹)

		Year ended	Year ended
		31 March 2020	31 March 2019
A.	Cash flows from operating activities		
	Profit before tax	13,980	12,622
	Adjustment for:		
	Depreciation and amortization	3,420	2,073
	Interest income	(441)	(572)
	Provision for doubtful debts / bad debts written off, net	200	22
	Income on investments carried at fair value through profit and loss	(94)	(143)
	Profit on sale of investments carried at fair value through other comprehensive income	(16)	(17)
	Interest expense	251	124
	Loss (profit) on sale of property, plant and equipment (net)	-	(3)
	Other non-cash charges (net)	177	(48)
	Operating profit before working capital changes	17,477	14,058
	Movement in working capital		
	(Increase) decrease in trade receivables	(1,957)	(1,458)
	(Increase) decrease in inventories	24	108
	(Increase) decrease in other financial assets and other assets	(1,229)	(2,168)
	Increase (decrease) in trade payables	(208)	377
	Increase (decrease) in provisions, other financial liabilities and other liabilities	1,810	675
	Cash generated from operations	15,917	11,592
	Direct taxes paid (net of refunds)	(2,558)	(2,621)
	Net cash flow from operating activities (A)	13,359	8,971
B.	Cash flows from investing activities		
	Investments in bank deposits	(265)	(1,951)
	Proceeds from bank deposits on maturity	2,074	2,331
	Purchase of investments in securities	(35,420)	(24,220)
	Proceeds from sale/maturity of investments in securities	30,785	24,777
	Investment in equity instruments	(15)	(33)
	Deposits placed with body corporates	(5,015)	(1,430)
	Proceeds from maturity of deposits placed with body corporates	3,261	3,408
	Payments for business acquisitions, net of cash acquired	(6,091)	(2,828)
	Investment in limited liability partnership	(3)	(4)
	Distribution from limited liability partnership	1	-
	Purchase of property, plant and equipment and intangibles	(1,866)	(3,465)
	Proceeds from sale of property, plant and equipment	37	31
	Interest received	282	511
	Taxes paid	(139)	(200)
	Net cash flow used in investing activities (B)	(12,374)	(3,073)
C.	Cash flows from financing activities		
	Proceeds from long term borrowings	152	3,105
	Repayment of long term borrowings	(394)	(188)
	Proceeds from short term borrowings	933	1,395
	Repayment of short term borrowings	(937)	(698)
	Payments for deferred and contingent consideration on business acquisitions	(295)	(26)
	Buyback of equity shares	-	(4,000)
	Expenses on buyback of equity shares	-	(12)
	Dividend paid	(1,357)	(1,099)
	Corporate dividend tax	(268)	(222)

Consolidated Statement of Cash flows for the year ended 31 March 2020
(All amounts in crores of ₹)

	Year ended	Year ended
	31 March 2020	31 March 2019
Capital contribution from non-controlling interests	-	292
Interest paid	(136)	(71)
Payment of lease liabilities including interest (previous year : payment of finance lease liabilities)	(866)	53
Net cash flow used in financing activities (C)	(3,168)	(1,471)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(2,183)	4,427
Effect of exchange differences on cash and cash equivalents held in foreign currency	42	(183)
Cash and cash equivalents at the beginning of the year	5,901	1,657
Cash and cash equivalents at the end of the year as per note 3.10(a)	3,760	5,901

Notes:

1. Reconciliation of liabilities arising from financing activities

	Long term borrowings (including current maturities)	Short term borrowings (excluding bank overdraft)	Deferred and contingent consideration
Balance as at 1 April 2018	395	-	116
Cash flows	2,917	697	(26)
Non cash changes			
Business combination	-	-	8
Effect of foreign currency translation	(49)	(6)	1
Recognized in profit and loss	-	-	(78)
Balance as at 31 March 2019	3,263	691	21
Balance as at 1 April 2019	3,263	691	21
Cash flows	(242)	(4)	(295)
Non cash changes			
Business combination	-	3	6,416
Exchange differences (net)	-	-	584
Effect of foreign currency translation	226	67	7
Recognized in profit and loss	-	-	124
Balance as at 31 March 2020	3,247	757	6,857

2. The total amount of income taxes paid is ₹ 2,697 crores (previous year, ₹ 2,821 crores).
3. Cash and cash equivalents includes investor education and protection fund-unclaimed dividend of ₹ 5 crores (previous year, ₹ 5 crores).

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

FOR B S R & Co. LLP
Chartered Accountants

Firm's Registration No. : 101248W/W-100022

Vikram Advani
Partner
Membership Number: 091765

Gurugram, India
7 May 2020

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President and
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Company Secretary

Notes to consolidated financial statements for the year ended 31 March 2020

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

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of IT and business services, engineering and R&D services and products & platforms services. The Company was incorporated under the provisions of the Companies Act applicable in India in November 1991, having its registered office at 806, Siddharth, 96, Nehru Place, New Delhi- 110019. The Group leverages its offshore infrastructure and professionals to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi-conductors), life sciences & healthcare, public services (oil and gas, energy and utility, travel, transport and logistics), retail and consumer products, telecom, media, publishing and entertainment.

The consolidated financial statements for the year ended 31 March 2020 were approved and authorized for issue by the Board of Directors on 7 May 2020.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the consolidated financial statements.

These consolidated financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

- a) Derivative financial instruments,
- b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current and non-current as per the Group’s normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The Group uses the Indian rupee (‘₹’) as its reporting currency.

(b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of HCL Technologies Limited, the Parent Company, and its subsidiaries. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b) Exposure, or rights, to variable returns from its involvement with the investee, and
- c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements
- c) The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Notes to consolidated financial statements for the year ended 31 March 2020

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

The financial statements of the subsidiaries in the Group are added on a line-by-line basis and inter-company balances and transactions including unrealized gain/loss from such transactions, are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform accounting policies in use by the Group.

(c) Use of estimates

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used for, but not limited to, accounting for costs expected to be incurred to complete performance under fixed price projects, allowance for uncollectible accounts receivables, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, plant and equipment, intangible assets, impairment of goodwill, the measurement of lease liabilities and right of use assets, and other contingencies and commitments. Changes in estimates are reflected in the consolidated financial statements in the year in which the changes are made. Actual results could differ from those estimates.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

(e) Foreign currency and translation

The Group's consolidated financial statements are presented in Indian Rupee (₹), which is also the parent company's functional currency. For each entity, the Group determines the functional currency, and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to the statement of profit and loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of foreign operations from respective functional currency into INR (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows is performed using an appropriate daily weighted average exchange rate for the respective years. The exchange differences arising on translation for consolidation are reported as a component of 'other comprehensive income (loss)'. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit and loss.

(f) Fair value measurement

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income securities, equity securities and derivatives, which must be measured using the guidance

Notes to consolidated financial statements for the year ended 31 March 2020

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

for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

- a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- c) Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

(g) Revenue recognition*Contracts involving provision of services and material*

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material/Volume based/ Transaction based contracts

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to-cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.

Notes to consolidated financial statements for the year ended 31 March 2020

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

In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Proprietary Software Products

Revenue from distinct proprietary perpetual license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with one year of support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided.

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which group would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change. If the arrangement contains obligations related to License of Intellectual property (Software) or Lease deliverable, the arrangement consideration allocated to the Software deliverables, lease deliverable as a group is then allocated to each software obligation and lease deliverable.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably being group control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in consolidated balance sheet. Contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Notes to consolidated financial statements for the year ended 31 March 2020

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

Revenue from sales-type leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client.

Interest attributable to sales-type leases and direct financing leases included therein is recognized on an accrual basis using the effective interest method and is recognized as other income.

Interest income

Interest income for all financial instruments measured at amortized cost is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

(h) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Deferred income tax assets and liabilities recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary differences which originate during the tax holiday period and are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first-in-first-out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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 taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in the statement of profit and loss.

In some tax jurisdictions, tax deductions on share based payments to employees are different from the related cumulative remuneration expenses. If the amount of the tax deduction (or estimated future tax deduction) exceeds the amount of the related cumulative remuneration expense, the excess of the associated tax is recognized directly in retained earnings.

(i) Property, plant and equipment

Property, plant and equipment 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. The Group identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of 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.

Notes to consolidated financial statements for the year ended 31 March 2020

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

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress.

Depreciation on property, plant and equipment 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 assets for computing depreciation are as follows:

Asset description	Asset life (in years)
Buildings	20
Plant and equipment (including air conditioners, electrical installations)	10
Office equipment	5
Computers and networking equipment	4-5 or over the period of lease, whichever is lower
Furniture and fixtures	7
Vehicles	5

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset 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.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below except certain Licensed IPRs which include the right to modify, enhance or exploit are amortized in proportion to the expected benefits over the useful life which could range up to 15 years:

Asset description	Asset life (in years)
Software	3
Licensed IPRs	5 to 15
Customer relationships	1 to 10
Customer contracts	1 to 2
Technology	5 to 15
Intellectual property rights including Brand	2 to 6
Non-compete agreements	3 to 5

(k) Research and development costs

Research costs are expensed as incurred. Development expenditure, on an individual project, is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits

Notes to consolidated financial statements for the year ended 31 March 2020

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

- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequently, following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

(l) Borrowing costs

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 are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(m) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

Group is lessee in case of leasehold land, office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in Ind AS 116.

Effective 1 April 2019, all leases with a term of more than 12 months are recognized as right-of-use assets along with associated lease liabilities, in the consolidated balance sheet.

Right-of-use asset represents the Group's right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Group's incremental borrowing rate, which approximates the rate at which the Group would borrow, in the country where the lease was executed. The Group has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Group is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any.

The Group has elected to not recognize leases with a lease term of 12 months or less in the consolidated balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the consolidated statement of profit and loss. For all asset classes, the Group has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned or contingency is resolved.

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 finance lease are recognized as a receivable at an amount equal to the present value of lease receivable. 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 consolidated 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.

Notes to consolidated financial statements for the year ended 31 March 2020

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

When arrangements include multiple performance obligations, the Group allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

Transition to Ind AS 116

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

The Group has adopted Ind AS 116, effective 1 April 2019 using the modified retrospective approach which involves recognizing new right-of-use assets and lease liabilities on its consolidated balance sheet. Comparative information has not been adjusted and continues to be reported under Ind AS 17. As a result of the Group’s adoption of this new standard, all leases are recorded on the consolidated balance sheet. The Group has also elected the practical expedients, not to reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The Group has used a single discount rate to a portfolio of leases with reasonably similar characteristics. The Group has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract, and to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (“short-term leases”).

Impact on consolidated financial statements

As a result of adoption of Ind AS 116, the Group recognized additional lease liabilities of ₹ 2,330 crores and rights-of-use assets of ₹ 2,373 crores as on 1 April 2019.

The weighted average incremental borrowing rate of 5.30% has been applied to lease liabilities recognized in the balance sheet at the date of initial application, in respect of leases classified as operating leases as per Ind AS 17.

The difference between future minimum lease rental commitments against non-cancellable operating leases reported as at 31 March 2019 and lease liability recognized as at 1 April 2019 is primarily due to:

- inclusion of present value of future minimum lease rental commitments towards operating leases of IT equipment;
- inclusion of finance lease obligation earlier shown separately; and
- exclusion of short term lease commitments for which the Group has chosen to apply the practical expedient as per the standard.

The following table summarize the impact of the Group’s adoption of Ind AS 116 on its consolidated financial statements as of 1 April 2019

	As reported 31 March 2019	Adoption of Ind AS 116	Balance as of 1 April 2019
Prepaid expenses(including current and non-current portion) (note 1)	1,437	(68)	1,369
Prepaid rentals for leasehold land (including current and non-current portion) (note 2)	285	(285)	-
Property, plant and equipment – Computer and networking equipment-leased (note 3)	38	(38)	-
Borrowing - Finance lease obligation (including current and non-current portion) (note 4)	208	(208)	-
Other financial liabilities (current) - liabilities for expenses (note 5)	3,040	(140)	2,900
Right-of-use assets	-	2,373	2,373
Lease liability (including current and non-current portion)	-	2,330	2,330

Notes:

- Includes prepaid rent amounting to ₹ 22 crores and prepaid amount of security deposit amounting to ₹ 46 crores, reclassified to right-of-use assets.
- Prepaid rental for leasehold land amounting to ₹ 285 crores which has been reclassified to right-of-use assets.
- Finance leased assets as per Ind AS 17 amounting to ₹ 38 crores has been reclassified to right-of-use assets.
- Finance lease obligations as per Ind AS 17 amounting to ₹ 208 crores have been reclassified to lease liability.
- Includes lease equalization reserve of ₹ 140 crores adjusted with right-of-use assets.

(n) Inventories

Stock-in-trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. 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 identifying 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.

Notes to consolidated financial statements for the year ended 31 March 2020

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

(o) Impairment of non-financial assets*Goodwill*

Goodwill is tested annually on March 31, for impairment, or sooner whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

(p) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(q) Retirement and other employee benefits

- i. **Provident fund:** Employees of the Company and its subsidiaries in India receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Group or Government administered provident fund; while the balance contribution is made to the Government administered pension fund. For the contribution made by the Company and its subsidiaries in India to the provident fund trust managed by the Group, the Company has an obligation to fund any shortfall on the yield of the Trust's investments over the administered interest rates. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The funds contributed to the Trust are invested in specific securities as mandated by law and generally consist of federal and state government bonds, debt instruments of government-owned corporations and, equity other eligible market securities.
- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by appointed fund managers 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 (subject to a maximum of ₹20 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the year in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Gratuity Fund Trust. Trustees of the Company administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law.

Notes to consolidated financial statements for the year ended 31 March 2020*(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 employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. 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 statement of profit and loss in the year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- v. State Plan: The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund is charged to the statement of profit and loss as and when employees render related services.
- vi. Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

(r) Equity settled stock based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost (net of estimated forfeitures) on a straight line basis over the requisite service period for each separately vesting portion of the award, as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded under the head employee benefit expense in the statement of profit and loss with corresponding increase in "Share Based Payment Reserve".

(s) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in banks and short-term deposits and investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are considered net of outstanding bank overdrafts that are repayable on demand and are considered part of the Group's cash management system. In the consolidated balance sheet, bank overdrafts are presented under borrowings within current liabilities.

Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled receivables, trade and other receivables.

Financial assets at Fair Value through Other Comprehensive Income (OCI)

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

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

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial assets included at the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity instruments are initially measured at fair value and are subsequently re-measured with all changes recognized in the statement of profit and loss. In limited circumstances, investments, for which sufficient, more recent information to measure fair value is not available cost represents the best estimate of fair value within that range.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

ii. Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

The Group's financial liabilities at amortized cost includes trade payables, borrowings including bank overdrafts and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

iii. Derivative financial instruments and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies and interest rate swaps are entered to mitigate interest rate fluctuation risk on indebtedness.

The Group recognizes all derivatives as assets or liabilities measured at their fair value. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the statement of profit and loss as 'foreign exchange gains (losses)' and 'finance costs' as applicable.

The foreign exchange forward contracts, options and interest rate swaps in respect of forecast transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the fair value of derivative (net of tax) that are designated as effective cash flow hedges are deferred and recorded in the hedging reserve account as a component of accumulated 'other comprehensive income (loss)' until the hedged transaction occurs and are then recognized in the statement of profit and loss. The ineffective portion of hedging derivatives is immediately recognized in the statement of profit and loss.

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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. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current year earnings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

(t) Dividend

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(u) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company 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 diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

(v) Nature and purpose of reserves**General reserve**

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares and buyback of shares in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

The Group recognizes cancellation of the Group's own equity instruments to capital redemption reserve.

Share based payment reserve

The share options based payment reserve is used to recognize the grant date fair value of options issued to employees under Employee stock option plan.

Special economic zone re-investment reserve

The Company has created Special economic zone re-investment reserve out of profits of the eligible SEZ Units in terms of the specific provisions of Section 10AA(1) of the Income Tax Act, 1961 ("the Act"). The said reserve should be utilized by the Company for acquiring plant and machinery in terms of Section 10AA(2) of the Act.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

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

Cash flow hedging reserve

For hedging foreign currency risk, the Group uses foreign currency forward and option contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognized in the cash flow hedging reserve. Amounts recognized in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Debt instruments through other comprehensive income

The Group recognizes changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. The Group transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

2. ACQUISITIONS

a) Acquisitions in the current year

Acquisition of Select IBM Software products

On 7 December 2018, the Group had signed a definitive agreement to acquire business relating to select IBM software products for a consideration of ₹ 12,252 crores.

The Group has acquired these products for security, marketing, commerce, and digital solutions along with certain assumed liabilities and in scope employees. With this the Group gets 100% control on the assets being acquired and has also taken full ownership of the research and development, sales, marketing, delivery and support for these products. Through this acquisition, the Group intends to enhance its products and platforms offering to customers across a wide range of industries and markets. IBM will pay the Company for the assumed liabilities as related services are rendered, based on an agreed basis, fair value of the same has been estimated at ₹ 3,490 crores.

Acquisition has been consummated effective 30 June 2019. The Group has paid ₹ 5,608 crores till 30 June 2019. ₹ 5,608 crores is payable after one year and ₹ 1,035 crores is payable in three tranches of ₹ 345 crores each till 30 July 2021 subject to fulfilment of certain conditions as per agreement. These payables have been fair valued at ₹ 6,419 crores.

The Group had earlier acquired certain intellectual property rights (Licensed IPRs) from IBM for some of these products and was carrying these licensed IPRs at an unamortized value of ₹ 2,950 crores as of 30 June 2019. This amount has been reduced from Licensed IPRs and included in purchase price.

The purchase price including the fair value of remaining consideration and unamortized value of Licensed IPRs of ₹ 6,419 crores and ₹ 2,950 crores respectively is ₹ 14,977 crores and has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Recoverable from IBM (against contract liabilities)	3,490
Contract liabilities*	(3,517)
Deferred tax	9
Property plant and equipment and software	2
Intangible assets	
Customer related intangibles	6,350
Technology	2,428
Goodwill	6,215
Total preliminary purchase consideration	14,977

*Presented gross of ₹ 1,626 crores recoverable from IBM with a corresponding contract liability for customer contracts entered by IBM for these products with service obligation commencing after 30 June 2019.

The resultant goodwill is considered tax deductible and has been allocated to the Products & Platforms segment. This goodwill is attributable mainly to Group's ability to upgrade the products and enhance the sale of products to customers in existing business of the Group and targeting new customers.

Notes to consolidated financial statements for the year ended 31 March 2020

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

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)	Basis of amortization
Customer related intangibles	6,350	10	In proportion of estimated revenue
Technology	2,428	7 to 10	On straight line basis over the estimated life of the respective products
Total intangible assets	8,778		

Subsequent to the consummation date, the Group has received certain revised information from seller which has resulted in adjustments in the value of assets and liabilities acquired resulting into increase in intangible assets by ₹ 115 crores with corresponding decrease in goodwill by ₹ 127 crores and increase in net assets by ₹ 59 crores.

Additionally, the Group has paid first tranche of ₹ 277 crores during the year ended 31 March 2020.

The Group is in the process of making a final determination of the fair value of assets and liabilities, and evaluation of certain items relating to taxation. Finalization of the purchase price allocation may result in certain adjustments to the above allocations.

Other acquisitions

- a) On 1 April 2019, the Group, through a wholly owned subsidiary, entered into an agreement to acquire 100% shareholding in a Company in US doing business of digital transformation consulting. The acquisition will enhance Group's digital consulting offerings with their strong capabilities in digital strategy development, agile program management, business transformation and organizational change management.

The total purchase price for the acquisition is ₹ 311 crores. The Group has paid ₹ 304 crores till 31 March 2020. Total purchase consideration of ₹ 311 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 6 crores)	69
Deferred tax liability	(17)
Property plant and equipment and software	3
Intangible assets	
Customer relationships	56
Customer contracts	10
Brand	5
Goodwill	185
Total purchase consideration	311

The resultant goodwill is not considered tax deductible and has been allocated to IT & business services segment.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)
Customer relationships	56	9.0
Customer contracts	10	1.0
Brand	5	2.0
Total intangible assets	71	

In addition to the purchase consideration, ₹ 35 crore is payable to certain key employees over a two-year period. Payment of this amount is in the nature of long term incentive plan to the senior managers of the operating entities that includes retention and performance based bonuses. This consideration is being accounted for as post acquisition employee compensation expense in accordance with Ind AS 103 on "Business combination".

- b) On 10 October 2019, the Group, entered into an agreement to acquire 100% shareholding of a Company in India, which offers an integrated portfolio of services and solution to its customers in key semiconductor domains. This acquisition offers an opportunity to combine acquiree analog strength with Group digital SOC (System on Chip) expertise to gain market share in VLSI design services market.

Notes to consolidated financial statements for the year ended 31 March 2020

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

The total purchase price for the acquisition is ₹ 185 crores. The Group has paid ₹ 177 crores till 31 March 2020.

Total purchase consideration of ₹ 185 crores has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 13 crores)	30
Deferred tax liability	(4)
Property plant and equipment and software	35
Intangible assets	
Customer relationships	30
Customer contracts	8
Brand	3
Non-compete agreement	2
Goodwill	81
Total purchase consideration	185

The resultant goodwill is not considered tax deductible and has been allocated to Engineering and R&D services segment.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)
Customer relationships	30	8.5
Customer contracts	8	1.5
Brand	3	2.5
Non-compete agreement	2	3.0
Total intangible assets	43	

The Group is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

In addition to the purchase consideration, ₹ 15 crores is payable to certain key employees over a three-year period. Payment of this amount is in the nature of long term incentive plan to the key employees of the operating entities that includes retention and performance based bonuses. This consideration is being accounted for as post acquisition employee compensation expense in accordance with Ind AS 103 on "Business combination".

b) Acquisitions in the previous year

Acquisition of Actian Corporation

Through a definitive agreement entered on 12 April 2018 by the Group and Sumeru Equity Partners (SEP) to acquire Actian Corporation, through a joint venture company, the acquisition has been consummated on 17 July 2018.

The Group had paid ₹ 1,133 crores to acquire 80.39% stake and SEP has paid ₹ 276 crores to acquire 19.61% stake and CEO of Actian has paid ₹ 7 crores to acquire 0.49% stake in the joint venture company and the balance purchase consideration has been funded through inter-company loan by the Group. The acquisition is part of the Group's strategy to augment its capabilities in the products & platforms business.

Total purchase consideration of ₹ 2,412 crores (including fair value of options ₹ 177 crores) has been preliminarily allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 36 crores)	(104)
Deferred tax liability	(165)
Property plant and equipment (including software)	10
Intangible assets	
Customer relationships	354
Technology	406
Goodwill (including fair value of options ₹ 177 crores)	1,911
Total purchase consideration	2,412

Notes to consolidated financial statements for the year ended 31 March 2020

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

The resultant goodwill is not considered tax deductible and was disclosed under software services segment at the time of acquisition. During the year ended 31 March 2020, the Group has reorganized itself into the three segments (refer note 3.30), accordingly the goodwill has been reallocated to new segments.

The table below shows the values and lives of intangible assets recognized on acquisition:

	Amount	Life (Years)
Customer relationship	354	10.0
Technology	406	7.0
Total intangible assets	760	

In addition to the purchase consideration, ₹ 20 crore is payable to employee of the acquired entity in respect of unvested options, the amount payable in respect of such options is retained by acquirer and will be released upon the individual employee continued service upto 1 October 2019. This consideration has been paid during the current year ended 31 March 2020.

As part of the joint venture agreement, SEP have contributed ₹ 276 crores in form of preferred stock qualified as “compound financial instrument” (equity and financial liability) in the books of joint venture company carrying 11% cumulative dividend rights with participating dividend rights, conversion rights into equity, voting rights and has a put option, after the expiry of 3 years to require the Group to repurchase all the stake owned by SEP at a price dependent upon performance of the acquiree. The Group also have a call option to purchase all stake held by SEP after the expiry of 4.5 years at a price dependent upon the performance of the acquiree.

The contribution by SEP of ₹ 276 crores, including the value of options have been fair valued at ₹ 453 crores as compound financial instrument and equity portion has been segregated and recorded as non-controlling interest of ₹ 96 crores and financial liability of ₹ 357 crores in the consolidated balance sheet.

Subsequent to deal consummation, CEO of Actian have paid ₹ 7 crores to acquire 0.49% stake in the Joint Venture Company. Post this investment, the Group and SEP stake in the joint venture company is 80.00% and 19.51%, respectively.

During the year ended 31 March 2020, the Group has finalized purchase price allocations for this acquisitions, which has resulted in increase in working capital by ₹ 36 crores with corresponding reduction in value of goodwill from ₹ 1,911 crores to ₹ 1,875 crores.

Other acquisitions

During the previous year ended 31 March 2019, the Group had made other acquisitions at a total purchase price of ₹ 674 crores. The Group had paid ₹ 667 crores and holdback of ₹ 7 crores is payable at the end of two years from the acquisition date.

Total purchase consideration of ₹ 674 crores has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Net working capital (including cash of ₹ 85 crores)	401
Property plant and equipment	89
Goodwill	184
Total purchase consideration	674

The resultant goodwill is not considered tax deductible and has been allocated to IT and Business Services segment.

In addition to the purchase consideration, ₹ 24 crore is payable to key employees over a two-year period. Payment of this amount is contingent upon achieving certain specified targets and these employees continuing to be the employees of the company on the payment date. This consideration is being accounted for as post acquisition employee compensation expense in accordance with Ind AS 103 “Business combination”.

The Group is in the process of making a final determination of the fair value of assets and liabilities. Finalization of the purchase price allocation may result in certain adjustments to the above allocation.

Notes to consolidated financial statements for the year ended 31 March 2020

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

3. Notes to consolidated financial statements

3.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 March 2020

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers and networking equipment		Furniture and fixtures	Vehicles #	Total
					Owned	Leased			
Gross block as at 1 April 2019	74	2,996	1,692	340	4,222	47	828	127	10,326
Additions	-	148	115	43	986	-	58	37	1,387
Transition impact of Ind AS 116 (refer note 1(m))	-	-	-	-	-	(47)	-	-	(47)
Acquisitions through business combinations	14	8	-	-	4	-	4	-	30
Disposals	-	-	28	24	519	-	25	21	617
Translation exchange differences	-	7	10	4	116	-	19	-	156
Gross block as at 31 March 2020	88	3,159	1,789	363	4,809	-	884	143	11,235
Accumulated depreciation as at 1 April 2019	-	819	1,040	251	2,277	9	580	57	5,033
Charge for the year	-	152	131	38	772	-	68	26	1,187
Transition impact of Ind AS 116 (refer note 1(m))	-	-	-	-	-	(9)	-	-	(9)
Deduction/other adjustments	-	-	27	24	476	-	21	15	563
Translation exchange differences	-	4	8	2	69	-	10	-	93
Accumulated depreciation as at 31 March 2020	-	975	1,152	267	2,642	-	637	68	5,741
Net block as at 31 March 2020	88	2,184	637	96	2,167	-	247	75	5,494

Note: Capital work in progress includes ₹ 11 crores interest on extended interest bearing suppliers credit and during the year ₹ 6 crores have been capitalized by the Group.

Also refer footnote 1 of note 3.13

The changes in the carrying value for the year ended 31 March 2019

	Freehold land	Buildings	Plant and equipment	Office Equipment	Computers and networking equipment		Furniture and fixtures	Vehicles #	Total
					Owned	Leased			
Gross block as at 1 April 2018	55	2,827	1,565	296	3,194	-	718	119	8,774
Additions	19	165	120	55	1,151	47	100	34	1,691
Acquisitions through business combinations	-	-	22	-	74	-	110	1	207
Disposals	-	-	17	12	201	-	104	27	361
Translation exchange differences	-	4	2	1	4	-	4	-	15
Gross block as at 31 March 2019	74	2,996	1,692	340	4,222	47	828	127	10,326
Accumulated depreciation as at 1 April 2018	-	674	925	227	1,808	-	526	54	4,214
Charge for the year	-	144	119	34	590	9	62	23	981
Acquisitions through business combinations	-	-	15	-	45	-	90	-	150
Deduction/other adjustments	-	-	16	12	165	-	100	20	313
Translation exchange differences	-	1	(3)	2	(1)	-	2	-	1
Accumulated depreciation as at 31 March 2019	-	819	1,040	251	2,277	9	580	57	5,033
Net block as at 31 March 2019	74	2,177	652	89	1,945	38	248	70	5,293
Net block as at 1 April 2018	55	2,153	640	69	1,386	-	192	65	4,560

Note: Capital work in progress includes ₹ 8 crores interest on extended interest bearing suppliers credit and during the year ₹ 9 crores have been capitalized by the Group.

Also refer footnote 1 of note 3.13

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.2 Goodwill

Effective 1 April 2019, consequent to reorganization of its global operations due to technological changes and business requirements with increased focus to meet customer expectations and provide better services, the Group has reorganized itself into three segments, IT and Business Services, Engineering and R&D Services and Products & Platforms which led to change in composition of its Cash Generating units (CGUs). Refer note 3.30 for further information.

Accordingly, goodwill has been reallocated based on the relative fair value of each newly identified CGUs. The Group tested goodwill allocated to CGUs for impairment prior to the CGU composition change and immediately thereafter, for events and conditions. The fair value of the Group and its CGUs was calculated using a discounted cash flow model using estimated future cash flows. The results of our evaluation showed that the fair value of each of the CGU exceeded its book value.

The following table presents the changes in the carrying value of goodwill based on new identified CGUs for the year ended 31 March 2019

	IT and Business Services	Engineering and R&D services	Products and Platforms	Total
Opening balance as at 1 April 2018	4,331	2,468	-	6,799
Acquisitions through business combinations	589	222	1,284	2,095
Effect of exchange rate changes	102	65	-	167
Closing balance as at 31 March 2019	5,022	2,755	1,284	9,061

The following table presents the changes in goodwill based on new identified CGUs for the year ended 31 March 2020

	IT and Business Services	Engineering and R&D services	Products and Platforms	Total
Opening balance as at 1 April 2019	5,022	2,755	1,284	9,061
Acquisitions through business combinations	185	81	6,342	6,608
Measurement period adjustment [refer note 2]	-	-	(163)	(163)
Effect of exchange rate changes	400	61	187	648
Closing balance as at 31 March 2020	5,607	2,897	7,650	16,154

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU, which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognized, when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The estimated value-in-use of this CGU is based on the future cash flow forecasts for 5 to 9 years & then on perpetuity on the basis of certain assumptions which include revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	31 March 2020	31 March 2019
Growth rate (%)	upto 5.0	upto 5.0
Terminal growth rate (%)	upto 2.0	upto 2.0
Pre-tax discount rate (%)	10.9 to 15.3	12.3 to 13.3

As at 31 March 2020 and 31 March 2019 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

The Group tests goodwill for impairment annually, or more frequently when there is an indication for impairment. The Group has performed its annual goodwill impairment testing considering the likely impact of COVID-19 on future cash flows, discount rates, growth rates, earnings before interest and taxes, including terminal growth rate, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.3 Other intangible assets

The changes in the carrying value for the year ended 31 March 2020

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Non-compete agreements	Total
Gross block as at 1 April 2019	1,316	8,748	755	55	452	13	4	11,343
Additions	141	74	-	-	-	-	-	215
Acquisitions through business combinations	10	-	6,436	18	2,428	8	2	8,902
Disposals / other adjustments (refer note 2(a))	9	3,432	-	-	-	-	-	3,441
Translation exchange differences	44	20	66	4	40	2	-	176
Gross block as at 31 March 2020	1,502	5,410	7,257	77	2,920	23	6	17,195
Accumulated amortization as at 1 April 2019	1,066	1,400	207	55	70	9	2	2,809
Charge for the year	184	517	580	18	291	5	1	1,596
Deduction / other adjustments (refer note 2(a))	1	482	-	-	-	-	-	483
Translation exchange differences	42	6	16	4	10	1	-	79
Accumulated amortization as at 31 March 2020	1,291	1,441	803	77	371	15	3	4,001
Net block as at 31 March 2020	211	3,969	6,454	-	2,549	8	3	13,194
Estimated remaining useful life (in years)	3	13	9	-	9	2	4	

The Group tests intangible assets for impairment when there is an indication for impairment. The Group has performed an evaluation of the amortization period and method for its intangible assets, along with intangible assets impairment testing considering the likely impact of COVID-19 on future cash flows and growth rates, along with subjecting these variables to sensitivity analysis considering impacted industry verticals and geographies.

The changes in the carrying value for the year ended 31 March 2019

	Software	Licensed IPRs	Customer relationships	Customer contracts	Technology	Intellectual property rights	Non-compete agreements	Total
Gross block as at 1 April 2018	1,083	7,410	458	53	46	13	3	9,066
Additions	145	1,337	-	-	-	-	-	1,482
Acquisitions through business combinations	115	-	354	-	406	-	-	875
Disposals	37	-	68	-	-	-	-	105
Translation exchange differences	10	1	11	2	-	-	1	25
Gross block as at 31 March 2019	1,316	8,748	755	55	452	13	4	11,343
Accumulated amortization as at 1 April 2018	847	642	105	53	17	7	1	1,672
Charge for the year	175	759	101	-	54	2	1	1,092
Acquisitions through business combinations	73	-	-	-	-	-	-	73
Deduction/other adjustments	35	-	-	-	-	-	-	35
Translation exchange differences	6	(1)	1	2	(1)	-	-	7
Accumulated amortization as at 31 March 2019	1,066	1,400	207	55	70	9	2	2,809
Net block as at 31 March 2019	250	7,348	548	-	382	4	2	8,534
Net block as at 1 April 2018	236	6,768	353	-	29	6	2	7,394
Estimated remaining useful life (in years)	3	14	9	-	6	3	3	

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.4 Investments

	As at	
	31 March 2020	31 March 2019
Financial assets		
Non - current		
Unquoted investments		
Carried at fair value through profit and loss		
Equity instruments	33	48
Investment in limited liability partnership	44	37
	77	85
Current		
Quoted investments		
Carried at fair value through other comprehensive income		
Investment in debt securities	3,691	1,226
Unquoted investments		
Carried at fair value through profit and loss		
Investment in mutual funds	3,298	994
	6,989	2,220
Total investments - financial assets	7,066	2,305
Aggregate amount of quoted investments	3,691	1,226
Aggregate amount of unquoted investments	3,375	1,079
Market value of quoted investments	3,691	1,226
Investment carried at fair value through other comprehensive income	3,691	1,226
Investment carried at fair value through profit and loss	3,375	1,079

3.5 Loans

	As at	
	31 March 2020	31 March 2019
Non - current		
Carried at amortized cost		
Unsecured , considered good		
Inter corporate deposits	-	355
	-	355
Current		
Carried at amortized cost		
Unsecured , considered good		
Inter corporate deposits	3,420	1,309
Loans to employees	2	3
	3,422	1,312

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.6 Other financial assets

	As at	
	31 March 2020	31 March 2019
Non - current		
Carried at amortized cost		
Bank deposits with more than 12 months maturity (refer note below)	1	-
Finance lease receivables [refer note 3.28(b)]	994	850
Security deposits	138	108
Security deposits - related parties (refer note 3.32)	19	12
Unbilled receivable	1,199	112
Contract assets	-	16
Other receivable	22	-
	2,373	1,098
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments	-	103
	2,373	1,201
Current		
Carried at amortized cost		
Unbilled receivable	3,637	2,903
Unbilled receivable - related parties (refer note 3.32)	-	1
Contract assets	527	420
Interest receivable	253	94
Security deposits	77	60
Security deposits - related parties (refer note 3.32)	4	9
Finance lease receivables [refer note 3.28(b)]	711	554
Other receivable	1,188	316
	6,397	4,357
Carried at fair value through other comprehensive income		
Unrealized gain on derivative financial instruments	2	132
Carried at fair value through profit and loss		
Unrealized gain on derivative financial instruments	65	80
	6,464	4,569

Note: Pledged with banks as security for guarantees ₹ 1 crores (31 March 2019, Nil)

3.7 Other non- current assets

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good		
Capital advances	112	25
Advances other than capital advances		
Security deposits	38	43
Others		
Prepaid expenses	379	441
Prepaid rentals for leasehold land (refer note 3.28)	-	281
Prepaid expenses - related parties (refer note 3.32)	-	7
Deferred contract cost	1,297	833
Others	3	4
	1,829	1,634

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.8 Inventories

	As at	
	31 March 2020	31 March 2019
Stock-in-trade	91	91
	91	91

3.9 Trade receivables

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good (refer note below)	14,277	11,822
Trade receivables which have significant increase in credit risk	337	162
Trade receivables - credit impaired	51	31
	14,665	12,015
Impairment allowance for bad and doubtful debts	(534)	(309)
	14,131	11,706

Note: Includes receivables from related parties amounting to ₹ 5 crores (31 March 2019, ₹ 10 crores)

3.10 Cash and bank balances

	As at	
	31 March 2020	31 March 2019
(a) Cash and cash equivalents		
Balance with banks		
- in current accounts	3,719	3,972
- deposits with original maturity of less than 3 months	839	1,947
Remittances in transit	285	10
Unclaimed dividend account	5	5
	4,848	5,934
Cash and cash equivalents consists of the following for the purpose of the cash flow statement:		
Cash and cash equivalent	4,848	5,934
Bank overdraft (refer note 3.13)	(1,088)	(33)
	3,760	5,901
(b) Other bank balances		
Deposits with remaining maturity up to 12 months (refer note below)	128	1,938
	4,976	7,872

Note: Pledged with banks as security for guarantees ₹ 5 crores (31 March 2019, ₹ 5 crores)

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.11 Other current assets

	As at	
	31 March 2020	31 March 2019
Unsecured, considered good		
Advances other than capital advances		
Security deposits	51	30
Advances to employees	37	51
Advances to suppliers	131	86
Others		
Deferred contract cost	559	378
Deferred contract cost - related parties (refer note 3.19 and 3.32)	-	19
Prepaid expenses	1,132	996
Prepaid rentals for leasehold land (refer note 3.28)	-	4
Prepaid expenses - related parties (refer note 3.32)	15	20
Goods and service tax receivable	79	97
Other advances	186	143
	2,190	1,824
Unsecured, considered doubtful		
Advances other than capital advances		
Advances to employees	76	64
Other advances	15	10
Less: provision for doubtful advances	(91)	(74)
	-	-
	2,190	1,824

3.12 Share capital

	As at	
	31 March 2020	31 March 2019
Authorized		
3,000,000,000 (31 March 2019, 1,500,000,000) equity shares of ₹ 2 each	600	300
Issued, subscribed and fully paid up		
2,713,665,096 (31 March 2019, 1,356,278,868) equity shares of ₹ 2 each	543	271

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.

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year

	As at			
	31 March 2020		31 March 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	1,356,278,868	271.3	1,392,246,384	278
Add: Shares issued on exercise of employee stock options	553,680	0.1	396,120	-
Add: Bonus shares issued	1,356,832,548	271.4	-	-
Less: Shares extinguished on buyback	-	-	(36,363,636)	(7)
Number of shares at the end	2,713,665,096	543	1,356,278,868	271

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			
	31 March 2020		31 March 2019	
	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	1,172,772,190	43.22%	581,855,849	42.90%
HCL Holdings Private Limited	446,662,032	16.46%	223,331,016	16.47%

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	
	31 March 2020	31 March 2019
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	15,563,430 Equity shares	15,563,430 Equity shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	2,059,680,509 Equity shares	702,847,961 Equity shares
Aggregate number and class of shares bought back	71,363,636 Equity shares	71,363,636 Equity shares

During the year, pursuant to the approval of the shareholders through postal ballot (including remote e-voting), the Company has allotted 1,356,832,548 bonus shares of ₹ 2/- each fully paid-up on 10 December 2019 in the proportion of 1 equity share for every 1 equity share of ₹ 2/- each held by the equity shareholders of the Company as on the record date of 7 December 2019. Consequently the Company capitalized a sum of ₹ 271 crores from "retained earnings".

During the previous year ended 31 March 2019, the Company carried out share buyback of 36,363,636 fully paid-up equity shares of face value of ₹ 2 each at a price of ₹ 1,100 per share paid in cash for an aggregate consideration of ₹ 4,000 crores. Same was recorded as reduction in equity share capital by ₹ 7 crores, securities premium by ₹ 10 crores, general reserve by ₹ 2,387 crores and retained earnings by ₹ 1,596 crores. As required by the Companies Act, 2013, capital redemption reserve of ₹ 7 crores was created out of retained earnings to the extent of share capital extinguished. The expenses of ₹ 12 crores relating to buyback was adjusted against retained earnings.

Capital management

The primary objective of the Group's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Group has been declaring quarterly dividend for last 17 years. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements have been generally met through operating cash flows generated. The Company have also resorted to borrowing to meet local funding requirements in certain foreign subsidiaries.

Notes to consolidated financial statements for the year ended 31 March 2020

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

Employee Stock Option Plan (ESOP)

The Company has provided share-based payment schemes to its employees. During the year ended 31 March 2020 and 2019, the following scheme was in operation:

	ESOP 2004
Maximum number of options under the plan	20,000,000
Method of settlement (cash/equity)	Equity
Vesting period (maximum)	96 months
Exercise period from the date of vesting (maximum)	5 years
Vesting conditions	Service period / Group performance

Each option granted under the above plan entitles the holder to sixteen equity shares (eight 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 above plan was closed on 17 December 2019.

The details of activity under the plan have been summarized below:-

ESOP 2004	Year ended			
	31 March 2020		31 March 2019	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	69,210	16	123,645	16
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	(4,800)	16
Exercised during the year	(69,210)	16	(49,515)	16
Expired during the year	-	-	(120)	-
Options outstanding at the end of the year	-	-	69,210	16
Options exercisable at the end of the year	-	-	69,210	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 8,842 (31 March 2019, ₹ 7,897)

The details of exercise price for outstanding stock options is as below:

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 - 2004				
31 March 2020	₹ 16	-	-	16
31 March 2019	₹ 16	69,210	0.50	16

There are no options granted during the current year and previous year.

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.13 Borrowings

	Non-current		Current	
	As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Long term borrowings				
Secured				
Term loans from banks (refer note 1 below)	32	32	18	18
Finance lease obligation [refer note 1(m) and 3.28]	-	103	-	105
Unsecured				
Term loans from banks (refer note 2 below)	2,816	2,839	378	365
Other loans (refer note 3 below)	-	3	3	6
	2,848	2,977	399	494
Current maturities of long term borrowings disclosed under Note 3.14 "Other financial liabilities"	-	-	(399)	(494)
	2,848	2,977	-	-
Short term borrowings				
Unsecured				
Bank overdraft (refer note 4 below)	-	-	1,088	33
Term loans from banks (refer note 5 below)	-	-	757	691
	-	-	1,845	724

Note:-

- The Group has availed term loans of ₹ 50 crores (31 March 2019, ₹ 50 crores) secured against gross block of vehicles of ₹ 129 crores (31 March 2019, ₹ 114 crores) at interest rates ranging from 8.50% p.a. to 9.75% p.a. The loans are repayable over a period of 3 to 5 years on a monthly basis.
- An unsecured long term loan of ₹ 3,194 crores (31 March 2019, ₹ 3,204 crores) borrowed from banks at interest rate ranging from 0.85% p.a. to 7.90% p.a. The scheduled principal repayments of loans are as follows:

	As at	
	31 March 2020	31 March 2019
Within one year	378	365
One to two years	272	364
Two to three years	2,404	259
Three to five years	140	2,216
	3,194	3,204

- The other loan of ₹ 3 crores (31 March 2019, ₹ 9 crores) represents long term loan taken for purchase of plant and equipment at interest rates of 0% p.a. The loans are repayable till October 2020 on quarterly/yearly rest.
- Current borrowings were primarily on account of bank overdrafts required for management of working capital. The Group has availed bank line of credit at interest rate ranging from 1% p.a. to 6.85% p.a. which is repayable on demand.
- Unsecured short term loan of ₹ 757 crores (31 March 2019, ₹ 691 crores) borrowed from banks at interest rate of 1.72% p.a. is repayable in July 2020.

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.14 Other financial liabilities

	As at	
	31 March 2020	31 March 2019
Non - current		
Carried at amortized cost		
Employee bonuses accrued	127	7
Capital accounts payables	94	170
Deferred consideration	365	8
	586	185
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	218	-
Carried at fair value through profit and loss		
Contingent consideration	-	4
Liability towards non-controlling interest	390	347
	390	351
	1,194	536
Current		
Carried at amortized cost		
Current maturities of long term borrowings	399	494
Interest accrued but not due on borrowings	16	18
Unclaimed dividends	5	5
Deferred consideration	6,486	-
Accrued salaries and benefits		
Employee bonuses accrued	1,519	1,335
Other employee costs	981	846
Others		
Liabilities for expenses	3,720	3,040
Liabilities for expenses-related parties (refer note 3.32)	23	30
Capital accounts payables [includes supplier credit ₹ 123 crores (31 March 2019, ₹ 187 crores)]	640	646
Capital accounts payables-related parties [includes supplier credit ₹ 1 crores (31 March 2019, ₹ 3 crores)] (refer note 3.32)	1	3
Supplier credit	165	318
Supplier credit-related parties (refer note 3.32)	167	164
Book overdraft	4	7
Other payables	22	-
	14,148	6,906

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

	As at	
	31 March 2020	31 March 2019
Carried at fair value through other comprehensive income		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	136	-
Carried at fair value through profit and loss		
Unrealized loss on derivative financial instruments [refer note 3.29(a)]	17	4
Contingent consideration	6	9
Liability towards non-controlling interest	33	31
	56	44
	14,340	6,950

3.15 Provisions

	As at	
	31 March 2020	31 March 2019
Non - current		
Provision for employee benefits		
Provision for gratuity (refer note 3.31)	520	384
Provision for leave benefits	487	437
Provision for provident fund liabilities (refer note 3.31)	41	-
	1,048	821
Current		
Provision for employee benefits		
Provision for gratuity (refer note 3.31)	88	80
Provision for leave benefits	618	506
	706	586

3.16 Other non-current liabilities

	As at	
	31 March 2020	31 March 2019
Contract liabilities (refer note 3.19)	373	213
Others	26	34
	399	247

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.17 Trade payables

	As at	
	31 March 2020	31 March 2019
Trade payables	1,163	1,303
Trade payables-related parties (refer note 3.32)	3	2
	1,166	1,305

3.18 Other current liabilities

	As at	
	31 March 2020	31 March 2019
Contract liabilities (refer note 3.19)	2,697	1,051
Contract liabilities-related parties (refer note 3.19 and 3.32)	2	2
Other advances		
Advances received from customers	252	3
Others		
Withholding and other taxes payable	938	754
	3,889	1,810

3.19 Revenue from operations

	Year ended	
	31 March 2020	31 March 2019
Sale of services	68,711	58,434
Sale of hardware and software	1,965	1,993
	70,676	60,427

Disaggregate Revenue Information

The disaggregated revenue from contracts with the customers by contract type is as follows:

	Year ended	
	31 March 2020	31 March 2019
Fixed price	47,037	37,905
Time and material	23,639	22,522
	70,676	60,427

Of the above fixed price revenue, IT and Business Services, accounts for 76% (previous year 78%) and Products & Platforms accounts for 16% (previous year 13%) and Engineering and R&D services accounts for 8% (previous year 9%). For time and material revenue, IT and Business Services accounts for 73% (previous year 69%) and Engineering and R&D Services accounts for 27% (previous year 31%).

Revenue disaggregation as per geography has been included in segment information (Refer note 30).

Notes to consolidated financial statements for the year ended 31 March 2020

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

Remaining performance obligations

As at 31 March 2020, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was ₹ 66,699 crores (31 March 2019, ₹ 49,310 crores) out of which, approximately 36% (31 March 2019, 40%) is expected to be recognized as revenues within one year and the balance beyond one year. This is after exclusions as below:

- Contracts for which we recognize revenues based on the right to invoice for services performed,
- Variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, or
- Variable consideration in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets: A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our consolidated balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Out of ₹ 527 crores contract assets as on 31 March 2020, ₹ 35 crores pertains to the period prior to 31 March 2019 and the balance pertains to current year.

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized.

The below table discloses the movement in balances of contract liabilities :

	Year ended	
	31 March 2020	31 March 2019
Balance as at beginning of the year	1,266	850
Additional amounts billed but not recognized as revenue	2,192	976
Deduction on account of revenues recognized during the year	(2,389)	(668)
Addition on account of acquisitions	1,891	100
Effect of exchange fluctuations	110	8
Balance as at end of the year	3,070	1,266

Deferred contract cost : Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost:

	Year ended	
	31 March 2020	31 March 2019
Balance as at beginning of the year	1,230	701
Additional cost capitalised during the year	946	801
Deduction on account of cost amortised during the year	(404)	(274)
Effect of exchange fluctuations	84	2
Balance as at end of the year	1,856	1,230

The group has evaluated the impact of COVID-19 resulting from (a) increase in cost budget of fixed price projects due to additional efforts; (b) onerous projects; (c) penalties for not meeting SLAs; (d) volume discounts; (e) termination/deferment of projects to ensure that revenue is recognised after considering all these impacts to the extent known and available currently. We would continue to assess COVID-19 impact as we go along due to uncertainties associated with its nature and duration.

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.20 Other income

	Year ended	
	31 March 2020	31 March 2019
Interest income		
- On investments carried at fair value through other comprehensive income	156	93
- On other financial instruments carried at amortized cost	292	479
- On income tax refund	11	-
- On others	7	-
Profit on sale of investments carried at fair value through other comprehensive income	16	17
Income on investments carried at fair value through profit and loss		
- Unrealized gains (loss) on fair value changes on mutual funds	14	(8)
- Profit on sale of mutual funds	109	147
- Share of profit in limited liability partnership	1	4
- Unrealized (loss) on fair value changes on equity instruments	(30)	-
Profit on sale of property, plant and equipments (refer note below)	-	3
Exchange differences (net)	-	182
Fair value changes on liabilities carried at fair value through profit and loss	-	19
Miscellaneous income	13	7
	589	943

Note : Net of loss on sale of property, plant and equipments of ₹ 4 crores (previous year ₹ 2 crores).

3.21 Changes in inventories of stock-in-trade

	Year ended	
	31 March 2020	31 March 2019
Opening stock	91	172
Less : Closing stock	91	91
	-	81

3.22 Employee benefits expense

	Year ended	
	31 March 2020	31 March 2019
Salaries, wages and bonus	30,599	25,649
Contribution to provident fund and other employee funds	4,185	3,511
Staff welfare expenses	144	123
	34,928	29,283

3.23 Finance costs

	Year ended	
	31 March 2020	31 March 2019
Interest		
-on loans from banks	133	90
-on the lease liability	118	-
-on direct taxes	23	-
-others	166	26
Fair value changes on liabilities carried at fair value through profit and loss	44	39
Bank charges	21	19
	505	174

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.24 Other expenses

	Year ended	
	31 March 2020	31 March 2019
Rent (refer note 3.28)	99	761
Power and fuel	307	336
Insurance	85	68
Repairs and maintenance		
- Plant and equipment	129	108
- Buildings	126	130
- Others	467	354
Communication costs	364	306
Travel and conveyance	1,849	1,815
Legal and professional charges	553	478
Software license fee	902	509
Rates and taxes	100	91
Donations	-	17
Expenditure toward corporate social responsibility activities	178	128
Provision for doubtful debts / bad debts written off	200	22
Exchange differences (net)	15	-
Change in non controlling interest (refer note 3.35)	40	-
Miscellaneous expenses	782	638
	6,196	5,761

3.25 Income taxes

	Year ended	
	31 March 2020	31 March 2019
Income tax charged to statement of profit and loss		
Current income tax charge	2,821	3,094
Deferred tax charge (credit)	102	(592)
	2,923	2,502
Income tax charged to other comprehensive income		
Expense (benefit) on re-measurements of defined benefit plans	(18)	2
Expense (benefit) on revaluation of cash flow hedges	(103)	3
Expense (benefit) on unrealized gain on debt instruments	(2)	1
	(123)	6

The reconciliation between the Group's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 March 2020	31 March 2019
Profit before income tax	13,980	12,622
Statutory tax rate in India	34.94%	34.94%
Expected tax expense	4,885	4,411
Non-taxable export income	(1,873)	(1,560)
Non-taxable other income	(33)	(42)
Reduction in deferred tax liabilities due to change in tax rate in India	(32)	-
Additional provision created in books	-	115
Reversal of prior year provision	(183)	(323)
Differences between Indian and foreign tax rates	(213)	(177)
Amortization of goodwill and intangibles on acquisition of certain software products from IBM relating to tax exempt units	261	-
Others (net)	111	78
Total taxes	2,923	2,502
Effective income tax rate	20.91%	19.83%

Notes to consolidated financial statements for the year ended 31 March 2020

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

In India, the company has benefited from certain tax incentives that the Government of India has provided for the units situated in Special Economic Zones (SEZs) under the Special Economic Zone Act, 2005, which began providing services on or after 1 April 2005. The eligible units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits and gains for a further five years. Certain tax benefits are also available for a further five years subject to the unit meeting defined conditions. The aforesaid tax benefits will not be available to units commencing operations after 30 June 2020.

The Company and its subsidiaries in India are subject to Minimum Alternate Tax (MAT) on its book profits, which gives rise to future economic benefits in the form of adjustment of future income tax liability. MAT paid for a year can be set-off against the normal tax liability within fifteen subsequent years, expiring between the years 2023 to 2035.

Beginning with current year, corporate taxpayers can opt for a specified lower tax rate in lieu of current applicable tax rate subject to taxpayers not claiming any specified tax incentives including tax incentives available to special economic zone units and carryover of unutilized MAT credit. The Company intends to opt for lower tax rate from 2024-25 by when the Company is expected to utilize the entire unutilized MAT credit. The Company has restated its deferred tax liabilities/ assets balances which are expected to reverse in the period after the Company opts for the lower corporate tax rate.

Components of deferred tax assets and liabilities as on 31 March 2020

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisitions/ De-consolidation	Recognized directly in equity against tax liability	Exchange difference	Closing balance
Business losses	61	(5)	-	1	-	6	63
MAT credit entitlement	2,003	338	-	-	-	2	2,343
Provision for doubtful debts	91	32	-	-	-	-	123
Accrued employee costs	476	104	7	2	-	20	609
Unrealized loss on derivative financial instruments	-	-	67	-	-	-	67
Property, plant and equipment	27	(11)	-	24	-	1	41
Employee stock compensation	7	(1)	-	-	(6)	-	-
Others	210	21	-	4	-	7	242
Gross deferred tax assets (A)	2,875	478	74	31	(6)	36	3,488
Property, plant and equipment	197	(49)	-	-	-	9	157
Unrealized gain on derivative financial instruments	36	-	(36)	-	-	-	-
Intangibles	272	674	-	44	-	21	1,011
Others	141	(45)	(13)	-	-	7	90
Gross deferred tax liabilities (B)	646	580	(49)	44	-	37	1,258
Net deferred tax assets (A-B)	2,229	(102)	123	(13)	(6)	(1)	2,230

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

Components of deferred tax assets and liabilities as on 31 March 2019

	Opening balance	Recognized in profit and loss	Recognized in / reclassified from OCI	Acquisitions	Recognized directly in equity against tax liability	Exchange difference	Closing balance
Business losses	25	(10)	-	45	-	1	61
MAT credit entitlement	1,378	625	-	-	-	-	2,003
Provision for doubtful debts	84	7	-	-	-	-	91
Accrued employee costs	357	108	1	1	-	9	476
Property, plant and equipment	22	4	-	-	-	1	27
Employee stock compensation	12	(2)	-	-	(4)	1	7
Others	181	(12)	-	39	-	2	210
Gross deferred tax assets (A)	2,059	720	1	85	(4)	14	2,875
Property, plant and equipment	103	91	-	-	-	3	197
Unrealized gain on derivative financial instruments	33	-	3	-	-	-	36
Intangibles	48	26	-	198	-	-	272
Others	72	11	4	49	-	5	141
Gross deferred tax liabilities (B)	256	128	7	247	-	8	646
Net deferred tax assets (A-B)	1,803	592	(6)	(162)	(4)	6	2,229

The Company's subsidiaries have recognized deferred tax assets on carry forward business losses which can be utilized against profits within the limit and carryover period permitted under laws of respective jurisdictions. Deferred tax assets primarily related to carried forward losses and other temporary differences for certain subsidiaries amounting to ₹ 65 crores was not recognized as per applicable accounting standards. These tax losses can be carried forward for an indefinite period except for tax losses amounting to ₹ 9 crores in Indian subsidiary which will expire by March 2028.

Above table represent the Gross deferred tax assets and liabilities. Amounts of deferred tax assets and liabilities presented in statement of consolidated balance sheet has been offset, wherever the Group has legally enforceable right and is related to same taxable authority.

Undistributed earnings of the subsidiaries aggregate approximately ₹ 11,759 crores (31 March 2019, ₹ 10,037 crores). The Group has the intent to reinvest the undistributed foreign earning indefinitely in its significant overseas operations and consequently did not record a deferred tax liability on the undistributed earnings.

3.26 Components of other comprehensive income attributable to shareholders of the Company

		For the year ended	
		31 March 2020	31 March 2019
A.	<u>Items that will not be reclassified to statement of profit and loss</u>		
	Retained earnings (Actuarial gain relating to defined benefit plans)		
	Opening balance (net of tax)	38	30
	Actuarial gains	(85)	10
	Income tax expense	18	(2)
	Closing balance (net of tax)	(29)	38
B.	<u>Items that will be reclassified subsequently to statement of profit and loss</u>		
	Foreign currency translation reserve		
	Opening balance	1,497	1,351
	Foreign currency translation	1,027	146
	Attributable to non controlling interest	(11)	-
	Closing balance	2,513	1,497

Notes to consolidated financial statements for the year ended 31 March 2020

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

	For the year ended	
	31 March 2020	31 March 2019
Cash flow hedging reserve		
Opening balance (net of tax)	171	137
Unrealized gains (losses)	(446)	82
Reclassification adjustments into other (income) expense, net	(135)	(45)
Income tax benefit (expense)	103	(3)
Closing balance (net of tax)	(307)	171
Unrealized gain on debt instruments		
Opening balance (net of tax)	2	-
Unrealized gains (losses)	(5)	3
Income tax benefit (expense)	2	(1)
Closing balance (net of tax)	(1)	2
TOTAL (B)	2,205	1,670

3.27 Earnings Per Share

The computation of earnings per share is as follows:

	Year ended	
	31 March 2020	31 March 2019
Profit for the year attributable to shareholders of the Company	11,057	10,120
Weighted average number of equity shares outstanding in calculating Basic EPS *	2,713,085,729	2,750,726,404
Dilutive effect of stock options outstanding *	579,367	1,105,134
Weighted average number of equity shares outstanding in calculating diluted EPS *	2,713,665,096	2,751,831,538
Nominal value of equity shares (in ₹)	2	2
Earnings per equity share (in ₹) *		
- Basic	40.75	36.79
- Diluted	40.75	36.78

* adjusted for bonus issue (refer note 3.12)

3.28 Leases

(a) Group as a lessee

The Group's significant leasing arrangements are in respect of leases for office spaces, accommodation for its employees, leasehold land and IT equipments.

The details of the right-of-use asset held by the Group is as follows:

	Leasehold land	Buildings	Computers and networking equipment	Total
Balance as at 1 April 2019	-	-	-	-
Transition impact of Ind AS 116 (refer note 1(m))	285	1,900	188	2,373
Depreciation charge for the year	(4)	(542)	(91)	(637)
Additions	-	877	22	899
Acquisitions through business combinations	-	12	-	12
Derecognition	-	(64)	-	(64)
Translation exchange differences	-	63	2	65
Balance as at 31 March 2020	281	2,246	121	2,648

Notes to consolidated financial statements for the year ended 31 March 2020

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

The reconciliation of lease liabilities is as follows:

	Total
Balance as at 1 April 2019	
Transition impact of Ind AS 116 (refer note 1(m))	2,330
Additions	1,275
Amounts recognized in statement of profit and loss as interest expense	118
Payment of lease liabilities	(866)
Acquisitions through business combinations	12
Derecognition	(56)
Translation exchange differences	81
Balance as at 31 March 2020	2,894

The lease rental expense relating to short-term leases recognized in the statement of profit and loss for the year amounted to ₹ 99 crores.

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities as on 31 March 2020:

	As at 31 March 2020
Within one year	840
One to two years	717
Two to three years	576
Three to five years	658
Thereafter	533
Total lease payments	3,324
Imputed interest	(430)
Total lease liabilities	2,894

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Most of the leases entered by the Group are long term in nature and the underlying leased properties are being used as delivery centers or offices. The Group doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per current business projections after considering the impact of COVID - 19.

The following table presents a maturity analysis of expected undiscounted cash flows for the finance lease obligation as on 31 March 2019 under Ind AS 17:

	Total minimum lease payments outstanding	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	107	2	105
Later than one year and not later than 5 years	104	1	103
	211	3	208

During the previous year ended 31 March 2019, the aggregate lease rental expense recognized in the statement of profit and loss as per Ind AS 17 amounted to ₹ 761 crores and the lease equalization amount for non-cancellable operating lease payable in future years and accounted for by the Group was ₹ 140 crores.

Notes to consolidated financial statements for the year ended 31 March 2020

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

Future minimum lease payments and the payment profile of non-cancellable operating leases as per Ind AS 17 as on 31 March 2019 are as follows:

	Total
Not later than one year	509
Later than one year and not later than 5 years	1,311
Later than five years	332
	2,152

(b) Group as a lessor

The Group has given IT 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	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As at 31 March 2020			
Not later than one year	759	48	711
Later than one year and not later than 5 years	1,047	53	994
	1,805	100	1,705
As at 31 March 2019			
Not later than one year	592	38	554
Later than one year and not later than 5 years	904	54	850
	1,496	92	1,404

3.29 Financial instruments

(a) Derivatives

The Group is exposed to foreign currency fluctuations on assets / liabilities and forecasted cash flows denominated in foreign currency and interest rate fluctuation risk on indebtedness. The use of derivatives to hedge the risk is governed by the Group's strategy, which provides principles on the use of such forward contracts, currency options and interest rate swaps consistent with the Group's risk management policy. The counterparties in these derivative instruments are banks and the Group considers the risks of non-performance by the counterparties as insignificant. The Group has entered into a series of foreign exchange forward contracts, options and interest rate swaps that are designated as cash flow hedges and the related forecasted transactions extend through February 2025. The Group does not use these derivative instruments for speculative purposes.

The following table presents the aggregate notional principal amounts of the outstanding derivative instruments together with the related balance sheet exposure:

Foreign exchange forward denominated in	Notional Currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Sell covers					
USD / INR	USD	787,370	680,470	(272)	77
GBP / INR	GBP	40,540	14,200	2	4
EUR / INR	EUR	79,000	72,500	27	44
CHF / INR	CHF	35,500	20,900	(6)	7
SEK / INR	SEK	110,000	145,000	4	16
AUD / INR	AUD	16,000	16,171	9	5
NOK / INR	NOK	60,000	201,000	8	14
CAD / INR	CAD	23,000	-	5	-

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

Foreign exchange forward denominated in	Notional Currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
JPY / INR	JPY	1,910,000	-	(1)	-
EUR / USD	EUR	57,300	75,979	2	3
GBP / USD	GBP	95,650	45,250	7	-
NOK / USD	NOK	-	42,000	-	-
MXN / USD	MXN	505,861	262,000	10	-
JPY / USD	JPY	870,000	-	-	-
RUB / USD	RUB	290,000	244,000	6	-
AUD / USD	AUD	4,250	5,680	1	-
CHF / USD	CHF	17,391	18,133	1	-
ZAR / USD	ZAR	118,000	92,500	6	-
PLN / USD	PLN	30,200	17,750	2	-
CNY / USD	CNY	79,000	57,500	1	-
NZD / USD	NZD	1,551	-	-	-
BRL / USD	BRL	81,000	36,500	17	(1)
Buy covers					
PLN / USD	PLN	-	20,950	-	-
JPY / USD	JPY	1,590,000	1,500,000	(1)	-
SEK / USD	SEK	385,000	368,500	(12)	(1)
CAD / USD	CAD	25,500	29,300	(7)	(2)
RUB / USD	RUB	-	14,000	-	-
GBP / USD	GBP	34,000	10,000	-	1
EUR / USD	EUR	16,500	-	(1)	-
CZK / USD	CZK	200,100	111,000	(3)	-
CHF / USD	CHF	1,000	-	-	-
DKK / USD	DKK	79,500	24,500	1	-
SGD / USD	SGD	40,700	41,000	(3)	(1)
NOK / USD	NOK	202,000	84,000	(2)	1
ZAR / USD	ZAR	35,000	-	-	-
PHP / USD	PHP	275,000	580,000	-	(1)
				(199)	166

The following table presents the aggregate notional principal amounts of the outstanding forward options together with the related balance sheet exposure:

	Notional Currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Range Forward (Sell covers)					
USD / INR	USD	637,982	1,216,487	(96)	105
GBP / INR	GBP	15,750	15,500	4	6
EUR / INR	EUR	36,530	44,250	3	23
AUD / INR	AUD	8,500	16,950	3	6
CHF / INR	CHF	-	1,500	-	1

Notes to consolidated financial statements for the year ended 31 March 2020

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

	Notional Currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
SEK / INR	SEK	15,000	15,000	2	1
EUR / USD	EUR	2,300	-	-	-
PUT (Sell covers)					
USD / INR	USD	-	14,000	-	3
Seagull (Sell covers)					
USD / INR	USD	-	7,000	-	-
GBP / USD	GBP	6,750	-	1	-
EUR / USD	EUR	8,300	-	-	-
Seagull (Buy covers)					
USD / INR	USD	143,500	-	32	-
				(51)	145

The following table presents the aggregate notional principal amounts of the outstanding interest rate swaps together with the related balance sheet exposure:

	Notional Currency	Notional principal amounts (amount in thousands)		Balance sheet exposure Asset (Liability) (₹)	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Interest rate swap (floating to fixed)	USD	255,000	-	(54)	-
				(54)	-

The notional amount is a key element of derivative financial instrument agreements. However, notional amounts do not represent the amount exchanged by counterparties and do not measure the Group's exposure to credit risk as these contracts are settled at their fair values at the maturity date.

The balance sheet exposure denotes the fair values of these contracts at the reporting date and is presented in ₹ crores. The Group presents its foreign exchange derivative instruments on a net basis in the consolidated financial statements due to the right of offset by its individual counterparties under master netting agreements.

The fair value of the derivative instruments presented on a gross basis as at each date indicated below is as follows:

	As at 31 March 2020				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	57	22	55	22	156
Foreign exchange contracts in an liability position	(55)	(22)	(178)	(199)	(454)
Interest rate swaps in an liability position	-	-	(13)	(41)	(54)
Net asset (liability)	2	-	(136)	(218)	(352)
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	95	-	30	-	125
Foreign exchange contracts in an liability position	(30)	-	(47)	-	(77)
Net asset (liability)	65	-	(17)	-	48
Total Derivatives at fair value	67	-	(153)	(218)	(304)

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

	As at 31 March 2019				
	Financial assets		Financial liabilities		Total fair value
	Current	Non current	Current	Non current	
Derivatives designated as hedging instruments					
Foreign exchange contracts in an asset position	142	113	10	10	275
Foreign exchange contracts in a liability position	(10)	(10)	(10)	(10)	(40)
Net asset (liability)	132	103	-	-	235
Derivatives not designated as hedging instruments					
Foreign exchange contracts in an asset position	92	-	12	-	104
Foreign exchange contracts in a liability position	(12)	-	(16)	-	(28)
Net asset (liability)	80	-	(4)	-	76
Total Derivatives at fair value	212	103	(4)	-	311

The following tables set forth the fair value of derivative instruments included in the consolidated balance sheets as at each date indicated:

	As at	
	31 March 2020	31 March 2019
Derivatives designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	2	132
Unrealized gain on financial instruments classified under non-current assets	-	103
Unrealized loss on financial instruments classified under current liabilities	(136)	-
Unrealized loss on financial instruments classified under non-current liabilities	(218)	-
	(352)	235
Derivatives not designated as hedging instruments		
Unrealized gain on financial instruments classified under current assets	65	80
Unrealized loss on financial instruments classified under current liabilities	(17)	(4)
	48	76

Maturity profile of derivative liabilities based on contractual payments is as below:

	As at	
	31 March 2020	31 March 2019
Within one year	153	4
One to two years	128	-
Two to three years	79	-
Three to five years	11	-
	371	4

Notes to consolidated financial statements for the year ended 31 March 2020

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

The following table summarizes the activities in the consolidated statement of profit and loss:

	Year ended	
	31 March 2020	31 March 2019
Derivatives in hedging relationships		
Effective portion of gain or (loss) recognized in OCI on derivatives	(446)	48
Effective portion of gain or (loss) reclassified from OCI into statement of profit and loss as "exchange differences"	135	45
Derivatives not in hedging relationships		
Gain or (loss) recognized into statement of profit and loss as "exchange differences"	22	4

The following table summarizes the activity in the accumulated 'Other comprehensive income' within equity related to all derivatives classified as cash flow hedges:

	Year ended	
	31 March 2020	31 March 2019
(Loss) gain as at the beginning of the year	207	170
Unrealized gain (loss) on cash flow hedging derivatives during the year	(446)	82
Net loss (gain) reclassified into net income on occurrence of hedged transactions	(135)	(45)
Gain (loss) as at the end of the year	(374)	207
Deferred tax asset (liability)	67	(36)
Cash flow hedging reserve (net of tax)	(307)	171

The estimated net amount of existing loss that is expected to be reclassified into the statement of profit and loss within the next twelve months is ₹ 153 crores (previous year gain of ₹ 110 crores).

Basis the Group hedging policy, management has performed assessment of COVID - 19 pandemic's impact for any change in probability of occurrence of the forecasted transactions, counter party credit risk and own credit risk, and believes that there is no impact on effectiveness of its hedges.

(b) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2020 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments	3,375	3,691	-	7,066
Trade receivables	-	-	14,131	14,131
Cash and cash equivalents	-	-	4,848	4,848
Other bank balances	-	-	128	128
Loans	-	-	3,422	3,422
Others (refer note 3.6)	65	2	8,770	8,837
Total	3,440	3,693	31,299	38,432
Financial liabilities				
Borrowings	-	-	4,693	4,693
Trade payables	-	-	1,166	1,166
Lease liabilities	-	-	2,894	2,894
Others (refer note 3.14)	446	354	14,734	15,534
Total	446	354	23,487	24,287

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The carrying value of financial instruments by categories as at 31 March 2019 is as follows:

	Fair value through profit and loss	Fair value through other comprehensive income	Amortized cost	Total carrying value
Financial assets				
Investments	1,079	1,226	-	2,305
Trade receivables	-	-	11,706	11,706
Cash and cash equivalents	-	-	5,934	5,934
Other bank balances	-	-	1,938	1,938
Loans	-	-	1,667	1,667
Others (refer note 3.6)	80	235	5,455	5,770
Total	1,159	1,461	26,700	29,320
Financial liabilities				
Borrowings	-	-	3,701	3,701
Trade payables	-	-	1,305	1,305
Others (refer note 3.14)	395	-	7,091	7,486
Total	395	-	12,097	12,492

Transfer of financial assets

The Group has revolving accounts receivables based facilities of ₹ 1,521 crores 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 ₹ 912 crores (previous year, ₹ 545 crores). Outstanding utilization against this facility as of 31 March 2020 is ₹ 478 crores (31 March 2019, ₹ 545 crores).

During the year ended 31 March 2020, the Group has also sold finance lease receivables of ₹ 394 crores (previous year, ₹ 94 crores) on non-recourse basis. Gains or losses on the sale are recorded at the time of transfer of these receivables and are immaterial. The Group has immaterial outstanding service obligations.

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2020 and the basis for that measurement is as below:

	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	3,375	3,298	-	77
Investments carried at fair value through other comprehensive income	3,691	-	3,691	-
Unrealized gain on derivative financial instruments	67	-	67	-
Liabilities				
Unrealized loss on derivative financial instruments	371	-	371	-
Liability towards non-controlling interest	423	-	-	423
Contingent consideration	6	-	-	6

During the year, w.e.f. 1 July 2019, the fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2 as against earlier classification as Level 1.

Notes to consolidated financial statements for the year ended 31 March 2020

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

The following table discloses the assets and liabilities measured at fair value on a recurring basis as at 31 March 2019 and the basis for that measurement:

	Fair Value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	1,079	994	-	85
Investments carried at fair value through other comprehensive income	1,226	1,226	-	-
Unrealized gain on derivative financial instruments	315	-	315	-
Liabilities				
Unrealized loss on derivative financial instruments	4	-	4	-
Liability towards non-controlling interest	378	-	-	378
Contingent consideration	13	-	-	13

There have been no transfers between Level 1 and Level 2 during the previous year.

Valuation Methodologies

Investments: The Group's investments consist of investment in debt linked mutual funds which are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1. Fair value of corporate debt securities is determined using observable markets' inputs and is classified as Level 2.

Investments in unquoted equity shares and limited liability partnerships are classified as fair value through profit and loss and is classified as Level 3. The re-measurement is calculated using unobservable inputs based on the Group's own assessment of third party valuations and respective company's financial performance.

Derivative financial instruments: The Group's derivative financial instruments consist of foreign currency forward exchange contracts, options and interest rate swaps. Fair values for derivative financial instruments are based on broker quotations and are classified as Level 2.

Liability towards non-controlling interest: As part of the acquisition of "Actian Corporation" on 17 July 2018, joint venturer "Sumeru Equity Partners" (SEP) contributed ₹ 276 crores in form of preferred stock qualified as "compound financial instrument" (equity and financial liability) in the books of joint venture company controlled by the Group, carrying 11% cumulative dividend rights with participating dividend rights, conversion rights into equity, voting rights and has a put option, after the expiry of 3 years to require the Group to repurchase all the stake owned by SEP at a price dependent upon performance of the acquiree. The Group also have a call option to purchase all stake held by SEP after the expiry of 4.5 years at a price dependent upon the performance of the acquiree. The initial contribution by SEP of ₹ 276 crores, including the value of options was fair valued at ₹ 453 crores was recorded as non-controlling interest of ₹ 96 crores and financial liability at fair value through profit and loss of ₹ 357 crores. The financial liability is initially and subsequently re-measured based on independent third party valuation using "Monte Carlo Simulation" methodology. Change in significant unobservable input of volatility in the valuation by 500 bps does not have a significant impact on the carrying value of the liability in the financial statement.

Fair value of earn-out consideration: The fair value measurement of earn-out consideration is determined using Level 3 inputs. The Group earn-out consideration represents a component of the total purchase consideration for its various acquisitions. The measurement is calculated using unobservable inputs based on the Group's own assessment of achievement of certain performance goals.

The Group assessed that fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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The following table discloses reconciliation of financial assets and liabilities categorised within Level 3 of the fair value hierarchy:

	Investment in unquoted equity shares and limited liability partnerships	Liability towards non-controlling interest	Contingent consideration
Balance as at 1 April 2018	43	-	116
Unrealized gain (loss) on fair value changes recognized in statement of profit and loss	4	34	(14)
Business combination	-	357	-
Additional investments	37	-	-
Purchase price adjustment	-	-	(64)
Payment of liability	-	(14)	(26)
Foreign currency translation	1	1	1
Balance as at 31 March 2019	85	378	13
Balance as at 1 April 2019	85	378	13
Unrealized loss on fair value changes recognized in statement of profit and loss	(29)	42	2
Additional investments	18	-	-
Distribution from limited liability partnership	(1)	-	-
Payment of liability	-	(31)	(10)
Foreign currency translation	4	34	1
Balance as at 31 March 2020	77	423	6

Financial assets measured using level 1 inputs primarily include investment securities in liquid debt funds and the fair value being marked to an active market which factors the impact of COVID-19, we do not expect material volatility in these financial assets.

Financial assets and liabilities measured using level 2 inputs which include investment in debt securities and derivative financial instruments, and financial assets measured at amortised cost which include cash and cash equivalents and deposits with banks and corporations, have been assessed basis counterparty credit risk.

Trade receivables, unbilled receivables, finance lease receivables and contract assets have been valued after making reserve for allowances based on the expected credit loss method, considering factors like ageing, likelihood of increased credit risk and expected realizability, nature of customer verticals, considering impact of COVID – 19 impact on customers and related customer verticals.

(c) Financial risk management

The Group is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Group has a risk management policy to manage & mitigate these risks.

The Group's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Group is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operations and the Group's net investments in foreign subsidiaries.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency forecasted revenue and cash flows. A significant portion of the Group revenue is in

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US Dollar, Pound Sterling (GBP) and Euro while a large portion of costs are in Indian rupees. The fluctuation in exchange rates in respect to India rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

To mitigate the foreign currency risk the Group uses derivatives as 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.

Appreciation/depreciation of 1% in respective foreign currencies with respect to functional currency of the Company and its subsidiaries would result in decrease/increase in the Group's profit before tax by approximately ₹ 34 crores for the year ended 31 March 2020.

The rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its subsidiaries. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 March 2020 and 31 March 2019 in major currencies is as below:

	Net financial assets		Net financial liabilities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
USD / INR	8,165	7,732	8,912	2,207
GBP / INR	528	205	87	80
EURO / INR	459	405	266	91

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates arises on borrowings with floating interest rate which is not material.

Credit risk

Financial instruments that potentially subject the Group to concentration of credit risk consist principally of cash and bank balances, inter-corporate deposits, trade receivables, unbilled receivables, finance lease receivables, investment securities and derivative instruments. The cash resources of the Group are invested with mutual funds, banks, financial institutions and corporations after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The customers of the Group are primarily corporations based in the United States of America and Europe and accordingly, trade receivables and finance lease receivables are concentrated in the respective countries. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of trade receivables, unbilled receivables and finance lease receivables.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2020	31 March 2019
Balance at the beginning of the year	309	291
Additional provision during the year	282	133
Deductions on account of write offs and collections	(115)	(120)
Other adjustments	45	-
Effect of exchange rates changes	13	5
Balance at the end of the year	534	309

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Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Group is capital preservation and liquidity in preference to returns. The Group consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Group's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2020					
Borrowings	2,335	369	2,461	150	5,315
Trade payables	1,166	-	-	-	1,166
Lease liabilities	840	717	576	1,191	3,324
Deferred consideration	6,532	378	-	-	6,910
Derivative financial liabilities	153	128	79	11	371
Other financial liabilities	7,302	254	357	-	7,913
Total	18,328	1,846	3,473	1,352	24,999
As at 31 March 2019					
Borrowings	1,311	507	364	2,274	4,456
Trade payables	1,305	-	-	-	1,305
Deferred consideration	-	8	-	-	8
Derivative financial liabilities	4	-	-	-	4
Other financial liabilities	6,452	123	118	287	6,980
Total	9,072	638	482	2,561	12,753

Offsetting of financial instruments

Under cash pooling arrangements with banks outside India, the contractual terms of arrangements preclude individual bank accounts within the arrangement from being considered separate units of account. Accordingly, the balances of all such bank accounts subject to the arrangements are presented on net basis. The impact of such netting on gross bank balances of ₹ 5,525 crores (31 March 2019, ₹ 6,438 crores) and gross bank overdraft of ₹ 1,766 crores (31 March 2019, ₹ 537 crores) is ₹ 678 crores (31 March 2019, ₹ 504 crores).

3.30 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and whose results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assess performance. Till 31 March 2019, CODM evaluated the Group's performance by business segment, comprising software services, infrastructure management services and business process outsourcing services.

Consequent to reorganization of its global operations due to technological changes and business requirements with increased focus to meet customer expectations and provide better services, the group effective 1 April 2019, has reorganized itself into the following segments.

IT and Business Services provide a comprehensive portfolio of IT & Business Services (Application, Infrastructure and Digital Process Operations) and Digital transformation services enabled by Digital and Analytics, IoTWORKS, Cloud native and Cybersecurity solutions including products developed within these businesses.

Engineering and R&D Services provides comprehensive engineering services and solutions across software, embedded, mechanical, VLSI and platform engineering that support the end to end lifecycle of products – both hardware and software across diverse industries including products developed within this business.

Products & Platforms includes standalone product businesses that provide modernized software products to global clients for their technology and industry specific requirements.

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Segment information previously reported has been restated to present business segments following the change in composition of operating segments. This change in segment presentation does not affect the consolidated statements of income and comprehensive income, balance sheets or statements of cash flows.

Segment accounting policies

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and 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 finance cost, exchange differences and tax expense.

b) Segment assets and liabilities

Assets and liabilities are not identified to any reportable segments, since these are 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.

Financial information about the business segments for the year ended 31 March 2020 is as follows:

	IT and Business Services	Engineering and R&D services	Products & Platforms	Total
Segment revenues	50,742	11,819	8,115	70,676
Less : Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	50,742	11,819	8,115	70,676
Segment results	9,017	2,293	2,601	13,911
Finance cost				(505)
Exchange differences (net)				(15)
Other income				589
Profit before tax				13,980
Tax expense				(2,923)
Profit for the year				11,057
Significant non-cash items				
Depreciation and amortization	1,768	275	1,377	3,420
Provision for doubtful debts / bad debts written off				200

Financial information about the business segments for the year ended 31 March 2019 is as follows:

	IT and Business Services	Engineering and R&D services	Products & Platforms	Total
Segment revenues	45,100	10,342	4,985	60,427
Less : Inter-segment revenue	-	-	-	-
Net revenue of operations from external customers	45,100	10,342	4,985	60,427
Segment results	8,034	2,322	1,497	11,853
Finance cost				(174)
Other Income				943
Profit before tax				12,622
Tax expense				(2,502)
Profit for the year				10,120
Significant non-cash items				
Depreciation and amortization	1,363	621	89	2,073
Provision for doubtful debts / bad debts written off				22

Notes to consolidated financial statements for the year ended 31 March 2020

(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	
	31 March 2020	31 March 2019
America	40,798	35,972
Europe	19,397	16,136
India *	2,354	2,118
Rest of the world	8,127	6,201
	70,676	60,427

* includes revenue billed to India based captive of global customers

No single customer represents 10% or more of the Group's total revenue for the years ended 31 March 2020 and 2019, respectively.

3.31 Employee benefits

The Group 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 and its subsidiaries in India have recognized the following amounts in the statement of profit and loss :-

	Year ended	
	31 March 2020	31 March 2019
Superannuation Fund	7	4
Employer's contribution to Employees State Insurance	11	14
Employer's contribution to Employee's Pension Scheme	134	109
Total	152	127

The Group has contributed ₹ 622 crores (previous year ₹ 511 crores) towards other foreign defined contribution plans.

B. Defined benefit plans

a) Gratuity

b) Employer's contribution to provident fund

Gratuity

The following table sets out the status of the gratuity plan :

Statement of profit and loss

	Year ended	
	31 March 2020	31 March 2019
Current service cost	110	89
Past service cost	-	3
Interest cost (net)	30	26
Net benefit expense	140	118

Notes to consolidated financial statements for the year ended 31 March 2020

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

Balance Sheet

	As at	
	31 March 2020	31 March 2019
Defined benefit obligations	626	480
Fair value of plan assets	18	16
Net plan liability	608	464
Current defined benefit obligations	88	80
Non-current defined benefit obligations	520	384

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

	Year ended	
	31 March 2020	31 March 2019
Opening defined benefit obligations	480	406
Current service cost	110	89
Past service cost	-	3
Interest cost	31	27
Re-measurement gains (losses) in OCI		
Actuarial changes arising from changes in demographic assumptions	(2)	-
Actuarial changes arising from changes in financial assumptions	61	11
Experience adjustments	(15)	(22)
Business combinations	3	-
Benefits paid	(42)	(34)
Closing defined benefit obligations	626	480

Changes in fair value of the plan assets are as follows:

	Year ended	
	31 March 2020	31 March 2019
Opening fair value of plan assets	16	14
Interest income	1	1
Contributions	43	26
Re-measurement gains (losses) in OCI		
Return on plan assets, excluding amount recognized in interest income	-	(1)
Benefits paid	(42)	(24)
Closing fair value of plan assets	18	16

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 shown below:

	As at	
	31 March 2020	31 March 2019
Discount rate	6.60%	7.20%
Estimated Rate of salary increases	8.00%	7.00%
Employee Turnover	24.00%	22.00%
Expected rate of return on assets	6.60%	7.20%

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 consolidated financial statements for the year ended 31 March 2020

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

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligation are particularly sensitive. The following table summarizes the impact on defined benefit obligation as at 31 March 2020 arising due to increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate	Salary escalation rate
Impact of increase	(20)	20
Impact of decrease	21	(19)

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in market conditions. There have been no changes from the previous years in the methods and assumptions used in preparing the sensitivity analyses.

The defined benefit obligations are expected to mature after 31 March 2020 as follows:

Year ending 31 March,	Cash flows
- 2021	90
- 2022	95
- 2023	107
- 2024	129
- 2025	137
- Thereafter	2,797

The weighted average duration to the payment of these cash flows is 6.90 years.

Employers Contribution to Provident Fund

The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India based on the assumption mentioned below and there is no shortfall as at 31 March 2019.

The details of the fund and plan asset position are given below:-

	31 March 2020	31 March 2019
Fair value of plan assets at the year end	4,105	3,477
Present value of benefit obligation at year end	4,146	3,477
Net liability recognized in balance sheet (refer note 3.15)	(41)	-

The amount for the year ended 31 March 2020 has been recognized in the other comprehensive income.

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

	31 March 2020	31 March 2019
Government of India (GOI) bond yield	6.60%	7.20%
Remaining term of maturity	8 years	8 years
Expected guaranteed interest rate	8.50%	8.65%

During the year ended 31 March 2020, the Group has contributed ₹ 186 crores (previous year, ₹ 144 crores) towards employer's contribution to provident fund.

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.32 Related party transactions**a) Related parties where control exists**

Refer note 3.36 for list of subsidiaries of the Company

Employee benefit trusts

Hindustan Instruments Limited Employees Provident Fund Trust
HCL Consulting Limited Employees Superannuation Scheme
HCL Comnet System and Services Limited Employees Provident Fund Trust
HCL Technologies Employees Group Gratuity Trust
HCL South Africa Share Ownership Trust
HCL Technologies Stock Options Trust
C3i Support Services Employees Gratuity Trust
Sankalp Stock Trust (acquired during the year)
Sankalp Semi Conductor Private Limited Employees Group Trust (acquired during the year)

Key Management Personnel

Mr. Shiv Nadar – Chairman and Chief Strategy Officer
Mr. C. Vijayakumar – President and Chief Executive Officer
Mr. Prateek Aggarwal – Chief Financial Officer (w.e.f. 1 October 2018)
Mr. Manish Anand – Company Secretary
Mr. Anil Chanana – Chief Financial Officer (upto 1 October 2018)

Non-Executive & Independent Directors

Mr. Ramanathan Srinivasan
Ms. Robin Ann Abrams
Dr. Sosale Shankara Sastry
Mr. Subramanian Madhavan
Mr. Thomas Sieber
Ms. Nishi Vasudeva
Mr. Deepak Kapoor
Mr. James Philip Adamczyk (appointed w.e.f. 26 July 2018 and ceased to be Director w.e.f. 9 October 2019)
Mr. Mohan Chellappa (appointed w.e.f. 6 August 2019)
Mr. Simon John England (appointed w.e.f. 16 January 2020)
Mr. Keki Mistry (ceased to be Director w.e.f. 30 April 2018)

Non-Executive & Non-Independent Directors

Ms. Roshni Nadar Malhotra
Mr. Shikhar Neelkamal Malhotra (appointed w.e.f. 22 October 2019)
Mr. Sudhindar Krishan Khanna (ceased to be Director w.e.f. 8 April 2019)

b) Related parties with whom transactions have taken place during the current year**Others (Significant influence)**

HCL Infosystems Limited
HCL IT City Lucknow Private Limited
HCL Avitas Private Limited
HCL Infotech Limited
Vama Sundari Investments (Delhi) Private Limited
Shiv Nadar University
HCL Corporation Private Limited
HCL Holding Private Limited
SSN Investments (Pondi) Private Limited
SSN Trust
Naksha Enterprises Private Limited
Shiv Nadar Foundation
HCL Insys. Pte. Limited, Singapore (ceased to be related party from 15 November 2019)

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

Transactions with related parties during the normal course of business	Significant influence	
	Year ended	
	31 March 2020	31 March 2019
Revenue from operations	13	27
Interest income	1	1
Purchase of materials and services	187	190
Payment for use of facilities	16	47
Purchase of capital equipments	1	-
Dividend paid	814	656
Depreciation charge on right-of-use assets	35	-
Interest expense on the lease liability	9	-
Other expenses	45	37

Material related party transactions	Year ended	
	31 March 2020	31 March 2019
Dividend paid		
Vama Sundari Investments (Delhi) Private Limited	582	469
HCL Holdings Private Limited	223	187

Transactions with Key Managerial personnel during the year	Year ended	
	31 March 2020	31 March 2019
Compensation		
- Short-term employee benefits	37	39
- Other long-term employee benefits	90	-
- Termination benefits	-	1

Transactions with Directors during the year	Year ended	
	31 March 2020	31 March 2019
Commission & other benefits to Directors (includes sitting fees)	9	8

Outstanding balances	Significant influence	
	As at	
	31 March 2020	31 March 2019
Security deposits	23	21
Unbilled receivable	-	1
Trade receivables	5	10
Prepaid expenses	15	27
Deferred contract cost	-	19
Capital accounts payable [includes supplier credit]	1	3
Supplier Credit	167	164
Liabilities for expenses	23	30
Contract liabilities	2	2
Trade payables	3	2
Right-of-use assets	110	-
Lease liabilities	113	-

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.33 Research and development expenditure

	Year ended	
	31 March 2020	31 March 2019
Revenue	1,286	925
Capital	-	6
	1,286	931

3.34 Commitments and contingent liabilities

	As at	
	31 March 2020	31 March 2019
i) Capital and other commitments		
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	558	462
Uncalled liability on other investments partly paid		
Capital commitment in limited liability partnership	11	13
ii) Contingent liabilities		
Others (refer note below)	133	1
	702	476

A wholly owned subsidiary ('WOS') with a VSAT License had received a demand from Department of Telecommunications (DoT) in February 2015 for FY 2011-12 and FY 2013-14 for an amount of ₹ 133 crores, including penalty, interest and interest on penalty. It had received provisional assessment orders for all the prior years with no demand. Demand is primarily due to DoT including IT Services revenues and related exchange gains in Adjusted Gross Revenue (AGR). The WOS had obtained stay in 2015 and its petition is pending adjudication at the Hon'ble Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"). The IT Services business had been demerged from the WOS with effect 1 April 2012. The Hon'ble Supreme Court has pronounced its ruling on the AGR matter relating to Unified Access Service License on 24 October 2019. Subsequent to this ruling, the Company has obtained legal opinion and is of the view that it should be able to defend its position in the above matter.

The Group is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, the outcome of which is inherently uncertain. Some of these matters include speculative and frivolous claims for substantial or indeterminate amounts of damages. The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Group reviews these provisions at least quarterly and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Group believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at 31 March 2020.

3.35 Change in non-controlling interest

During the year ended 31 March 2020, to meet the requirements of Broad-Based Black Economic Empowerment Act of South Africa, necessary restructuring was done and HCL entities allotted their shares to give 51.8% effective ownership in an entity in South Africa (operating entity) to trusts created for the benefit of black nationals, and consequently recorded non-controlling interest and an upfront charge of ₹ 40 crores in consolidated statement of profit and loss.

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)
3.36 Additional information under general instructions for the preparation of consolidated financial statements of Schedule III to the Companies Act, 2013

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2020	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2020									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
Parent													
	HCL Technologies Limited	India	NA	60.26	30,988	80.69	8,921	100.00	(505)	80.08	8,416		
Subsidiaries													
Indian													
1	HCL Comnet Systems & Services Limited	India	100%	0.09	48	(0.04)	(4)	-	-	(0.04)	(4)		
2	HCL Comnet Limited	India	100%	0.49	254	0.07	8	-	-	0.08	8		
3	Statstreet HCL Services (India) Private Limited *	India	100%	0.90	461	0.66	73	-	(3)	0.67	70		
4	HCL Eagle Limited	India	100%	0.03	13	-	1	-	-	0.01	1		
5	HCL Software Products Limited (formely "HCL Global Processing Services Limited")	India	100%	0.09	47	0.04	4	-	-	0.04	4		
6	HCL Technologies Solutions Limited	India	100%	0.01	6	-	0	-	-	-	-		
7	Concept2Silicon Systems Private Limited	India	100%	0.02	10	-	0	-	-	-	-		
8	HCL Training & Staffing Services Private Limited	India	100%	0.01	3	(0.22)	(24)	-	-	(0.23)	(24)		
9	C3i Support Services Private Limited	India	100%	0.06	32	0.11	12	-	-	0.11	12		
10	Sankalp Semiconductor Private Limited	India	100%	0.33	172	0.08	9	-	-	0.09	9		
11	Sankguj Semiconductor Private Limited	India	100%	-	-	-	-	-	-	-	-		
Foreign													
12	HCL Bermuda Limited	Bermuda	100%	0.03	14	(0.18)	(19)	-	-	(0.18)	(19)		
13	HCL Technologies (Shanghai) Limited	China	100%	0.12	62	0.14	15	-	-	0.14	15		
14	HCL Singapore Pte. Limited	Singapore	100%	0.33	169	0.59	65	-	-	0.62	65		
15	HCL Great Britain Limited	UK	100%	(0.13)	(65)	0.13	15	-	-	0.14	15		
16	HCL (Netherlands) BV	Netherlands	100%	0.02	13	0.06	7	-	-	0.07	7		
17	HCL Belgium NV	Belgium	100%	0.06	30	0.04	4	-	-	0.04	4		
18	HCL Sweden AB	Sweden	100%	0.05	26	(0.03)	(3)	-	-	(0.03)	(3)		
19	HCL GmbH	Germany	100%	0.12	63	0.08	8	-	-	0.08	8		
20	HCL Australia Services Pty. Limited	Australia	100%	0.44	225	0.57	64	-	-	0.61	64		
21	HCL (New Zealand) Limited	New Zealand	100%	0.07	34	0.07	8	-	-	0.08	8		
22	HCL Hong Kong SAR Limited	Hong Kong	100%	0.10	50	0.08	9	-	-	0.09	9		
23	HCL Japan Limited	Japan	100%	0.44	224	0.24	27	-	-	0.26	27		
24	HCL America Inc.	USA	100%	6.24	3,210	6.67	738	-	(40)	6.64	698		
25	HCL Technologies Austria GmbH	Austria	100%	0.01	5	0.04	4	-	-	0.04	4		

Notes to consolidated financial statements for the year ended 31 March 2020

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2020	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2020									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
26	HCL Poland Sp.z.o.o	Poland	100%	0.02	10	0.26	29	-	-	0.28	29		
27	HCL EAS Limited	UK	100%	0.35	181	0.34	37	-	-	0.35	37		
28	HCL Insurance BPO Services Limited	UK	100%	0.12	59	0.05	6	-	-	0.06	6		
29	Axon Group Limited	UK	100%	0.08	40	0.02	2	-	-	0.02	2		
30	HCL Canada Inc. (Formerly "HCL Axon Technologies Inc.")	Canada	100%	0.33	171	0.61	67	-	-	0.64	67		
31	HCL Technologies Solutions GmbH	Switzerland	100%	0.20	103	0.10	11	-	-	0.10	11		
32	Axon Solutions Pty. Limited	Australia	100%	0.02	12	-	-	-	-	-	-		
33	Axon Solutions Limited	UK	100%	3.12	1,603	0.61	68	-	-	0.65	68		
34	HCL Technologies Malaysia Sdn. Bhd. (Formerly "HCL Axon Malaysia Sdn. Bhd.")	Malaysia	100%	0.17	88	0.22	24	-	-	0.23	24		
35	Axon Solutions Singapore Pte. Limited	Singapore	100%	0.01	7	-	-	-	-	-	-		
36	Axon Solutions (Shanghai) Co. Limited	China	100%	0.35	178	0.22	24	-	-	0.23	24		
37	HCL Technologies (Proprietary) Ltd (Formerly "HCL Axon (Proprietary) Limited")	South Africa	48.16%	0.43	219	0.22	25	-	-	0.24	25		
38	HCL Argentina s.a.	Argentina	100%	0.02	12	(0.01)	(1)	-	-	(0.01)	(1)		
39	HCL Mexico S. de R.L.	Mexico	100%	0.29	149	(0.19)	(21)	-	-	(0.20)	(21)		
40	HCL Technologies Romania s.r.l.	Romania	100%	0.03	18	0.04	4	-	-	0.04	4		
41	HCL Hungary Kft	Hungary	100%	0.01	6	(0.01)	(1)	-	-	(0.01)	(1)		
42	HCL Latin America Holding LLC	USA	100%	0.02	10	0.01	1	-	-	0.01	1		
43	HCL (Brazil) Tecnologia da informacao EIRELI (Formerly "HCL (Brazil) Tecnologia da informacao Ltda.")	Brazil	100%	0.16	82	(0.08)	(9)	-	-	(0.09)	(9)		
44	HCL Technologies Denmark Aps	Denmark	100%	0.28	146	0.21	23	-	-	0.22	23		
45	HCL Technologies Norway AS	Norway	100%	0.20	103	0.54	59	-	-	0.56	59		
46	PT. HCL Technologies Indonesia Limited	Indonesia	100%	0.08	41	0.06	7	-	-	0.07	7		
47	HCL Technologies Philippines Inc.	Philippines	100%	0.18	94	0.23	25	-	-	0.24	25		
48	HCL Technologies South Africa (Proprietary) Limited	South Africa	36.40%	0.04	19	0.01	1	-	-	0.01	1		
49	HCL Arabia LLC	Saudi Arabia	100%	0.12	62	(0.02)	(2)	-	-	(0.02)	(2)		
50	HCL Technologies France SAS	France	100%	0.19	97	0.22	24	-	-	0.23	24		
51	Filial Espanola De HCL Technologies S.L	Spain	100%	0.20	105	0.10	11	-	-	0.10	11		

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2020	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
				31 March 2020							
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount
52	Anzospa Investments Pty Limited	South Africa	70%	-	-	(0.39)	(43)	-	-	(0.41)	(43)
53	HCL Investments (UK) Limited	UK	100%	1.18	606	0.10	12	-	-	0.11	12
54	HCL America Solutions Inc.	USA	100%	0.14	72	0.08	9	-	-	0.09	9
55	HCL Technologies Chile Spa	Chile	100%	0.10	54	0.06	6	-	-	0.06	6
56	HCL Technologies UK Limited	UK	100%	2.61	1,343	0.60	66	-	-	0.63	66
57	Statstreet HCL Holding UK Limited *	UK	100%	-	-	-	-	-	-	-	-
58	Statstreet HCL Services (Phillipines) Inc. *	Philippines	100%	0.06	32	0.01	1	-	-	0.01	1
59	HCL Technologies B.V.	Netherlands	100%	0.20	103	0.28	31	-	-	0.29	31
60	HCL (Ireland) Information Systems Limited	Ireland	100%	0.40	208	0.79	87	-	-	0.83	87
61	HCL Technologies Germany GmbH	Germany	100%	0.43	223	0.55	61	-	-	0.58	61
62	HCL Technologies Belgium BVBA	Belgium	100%	0.13	69	0.03	3	-	-	0.03	3
63	HCL Technologies Sweden AB	Sweden	100%	2.04	1,050	2.01	222	-	-	2.11	222
64	HCL Technologies Finland Oy	Finland	100%	0.25	129	0.51	56	-	-	0.53	56
65	HCL Technologies Italy S.P.A	Italy	100%	(0.01)	(3)	0.20	22	-	-	0.21	22
66	HCL Technologies Columbia S.A.S	Columbia	100%	0.03	13	(0.05)	(6)	-	-	(0.06)	(6)
67	HCL Technologies Middle East FZ-LLC	UAE	100%	0.06	28	(0.02)	(2)	-	-	(0.02)	(2)
68	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	0.04	18	0.01	1	-	-	0.01	1
69	HCL Technologies Greece Single Member P.C	Greece	100%	0.01	3	-	-	-	-	-	-
70	HCL Technologies S.A.	Venezuela	100%	-	-	0.01	1	-	-	0.01	1
71	HCL Technologies Beijing Co., Ltd	China	100%	0.06	31	0.06	6	-	-	0.06	6
72	HCL Technologies Luxembourg S.a.r.l	Luxembourg	100%	-	1	-	-	-	-	-	-
73	HCL Technologies Egypt Limited	Egypt	100%	0.02	13	0.01	1	-	-	0.01	1
74	HCL Technologies Estonia OÜ	Estonia	100%	-	2	-	1	-	-	0.01	1
75	HCL Technologies (Thailand) Ltd.	Thailand	100%	0.05	25	0.02	2	-	-	0.02	2
76	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	0.01	7	0.06	7	-	-	0.07	7
77	HCL Muscat Technologies L.L.C.	Oman	100%	0.02	9	(0.01)	(1)	-	-	(0.01)	(1)
78	Powerteam, LLC	USA	100%	0.40	206	0.19	21	-	-	0.20	21
79	Point To Point Limited	UK	100%	0.10	49	-	-	-	-	-	-
80	Point To Point Products Limited	UK	100%	0.02	13	-	-	-	-	-	-

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2020	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2020									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
81	HCL Technologies Lithuania UAB	Lithuania	100%	0.05	27	0.05	5	-	-	0.05	5		
82	HCL Technologies (Taiwan) Ltd.	China	100%	0.05	23	0.02	2	-	-	0.02	2		
83	Geometric Americas, Inc.	USA	100%	0.47	241	(0.01)	(1)	-	-	(0.01)	(1)		
84	HCL Asia Pacific Pte Ltd (Formerly "Geometric Asia Pacific Pte. Ltd")	Singapore	100%	0.06	30	0.02	3	-	-	0.02	3		
85	Geometric Europe GmbH	Germany	100%	0.17	89	(0.06)	(7)	-	-	(0.07)	(7)		
86	Geometric China, Inc.	China	100%	0.04	20	0.04	4	-	-	0.04	4		
87	Geometric SRL	Romania	100%	0.01	6	0.01	1	-	-	0.01	1		
88	Geometric SAS	France	100%	0.07	34	0.03	3	-	-	0.03	3		
89	Butler America Aerospace LLC	USA	100%	1.32	677	0.12	14	-	-	0.13	14		
90	Urban Fulfillment Services LLC	USA	100%	0.15	76	0.22	24	-	-	0.23	24		
91	Datawave (An HCL Technologies Company) Limited (formerly known as "ETL Factory Limited")	Scotland	100%	0.12	61	(0.05)	(5)	-	-	(0.05)	(5)		
92	HCL Technologies Corporate Services Limited	UK	100%	6.24	3,207	-	-	-	-	-	-		
93	Telrex Marketing, Inc.	USA	100%	0.82	416	0.72	79	-	-	0.72	79		
94	C3i Europe Eood	Bulgaria	100%	-	(5)	0.07	7	-	-	0.07	7		
95	C3i (UK) Limited	UK	100%	-	-	-	-	-	-	-	-		
96	C3i Japan GK	Japan	100%	0.01	4	0.01	1	-	-	0.01	1		
97	C3i Services & Technologies (Dalian) Co., Ltd	China	100%	-	2	0.03	3	-	-	0.03	3		
98	HCL Technologies SEP Holdings Inc	USA	80%	(0.39)	(198)	(0.32)	(35)	-	-	(0.33)	(35)		
99	Action Corporation (and including its subsidiaries)	USA	80%	4.78	2,457	0.45	50	-	-	0.47	50		
100	Honisgberg & Duvel Corporation	USA	100%	0.01	4	-	-	-	-	-	-		
101	Honisgberg & Duvel Datentchnik GMBH	Germany	100%	0.48	246	(0.29)	(31)	-	-	(0.29)	(31)		
102	H&D Business Services GmbH	Germany	100%	(0.01)	(3)	-	-	-	-	-	-		
103	H&D IT Solutions GmbH	Germany	100%	(0.02)	(13)	-	-	-	-	-	-		
104	H&D Training und Consulting GmbH	Germany	100%	-	-	-	-	-	-	-	-		
105	H&D IT Professional Services GmbH	Germany	100%	-	(1)	-	-	-	-	-	-		
106	qmo-it GmbH	Germany	100%	-	1	0.01	1	-	-	0.01	1		
107	H&D Services for Engineering GmbH	Germany	100%	(0.01)	(3)	-	-	-	-	-	-		
108	CATIS GmbH	Germany	100%	-	-	-	-	-	-	-	-		
109	H&D IT Automotive Services GmbH	Germany	100%	(0.01)	(4)	-	-	-	-	-	-		

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2020	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2020									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
110	CA Management Services GmbH	Germany	100%	-	(3)	-	-	-	-	-	-		
111	H&D ITAS Infrastructure Services GmbH	Germany	100%	(0.01)	(4)	-	-	-	-	-	-		
112	H&D ITAS Application Services GmbH	Germany	100%	-	(2)	(0.01)	(1)	-	-	(0.01)	(1)		
113	H&D ITAS Client Services GmbH	Germany	100%	(0.01)	(5)	-	-	-	-	-	-		
114	H&D ITAS Sud GmbH	Germany	100%	-	(1)	-	-	-	-	-	-		
115	H&D International GmbH	Germany	100%	0.01	6	0.02	2	-	-	0.02	2		
116	Honisgberg & Duvel Datentechnik Czech s.r.o.	Czech Republic	100%	0.06	30	0.12	13	-	-	0.12	13		
117	HCL Technologies Vietnam Company Limited	Vietnam	100%	-	1	-	-	-	-	-	-		
118	HCL Guatemala, Sociedad Anonima	Guatemala	100%	(0.04)	(23)	0.09	10	-	-	0.10	10		
119	Sankalp Semiconductor Inc.	Canada	100%	0.01	7	-	-	-	-	-	-		
120	Sankalp USA Inc.	USA	100%	0.01	7	(0.05)	(5)	-	-	(0.05)	(5)		
121	Sankalp Semiconductor GmbH.	Germany	100%	-	-	-	-	-	-	-	-		
122	Sankalp Semiconductor SDN. BHD.	Malaysia	100%	-	-	-	-	-	-	-	-		
123	H C L Technologies Lanka (Private) Limited	Sri Lanka	100%	-	1	-	-	-	-	-	-		
124	HCL TECHNOLOGIES TRINIDAD AND TOBAGO LIMITED	Trinidad and Tobago	100%	-	-	-	-	-	-	-	-		
125	HCL Technologies Azerbaijan Limited Liability Company	Azerbaijan	100%	-	-	-	-	-	-	-	-		
126	HCL Technologies Bulgaria EOOD	Bulgaria	100%	-	-	-	-	-	-	-	-		
127	HCL Technologies (Vietnam) Company Limited	Vietnam	100%	-	-	-	-	-	-	-	-		
Total				100.00	51,421	100.00	11,057	100.00	(548)	100.00	10,509		
Non controlling interest					(154)		-		11		11		
Consolidation adjustments					-		-		1,016		1,016		
Consolidated Net assets / Profit after tax					51,267		11,057		479		11,536		

Note: Dividend received from subsidiaries has been excluded from profits.

* The Group has equity interest of 49% and 100% dividend rights and control

Notes to consolidated financial statements for the year ended 31 March 2020

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

3.36 Additional information under general instructions for the preparation of consolidated financial statements of Schedule III to the Companies Act, 2013

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2019	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2019									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
Parent													
	HCL Technologies Limited	India	NA	62.63	25,970	81.14	8,212	100.00	44	81.23	8,256		
Subsidiaries													
Indian													
1	HCL Comnet Systems & Services Limited	India	100%	0.06	27	0.05	5	-	-	0.05	5		
2	HCL Comnet Limited	India	100%	0.62	256	0.06	6	-	-	0.06	6		
3	Statstreet HCL Services (India) Private Limited *	India	100%	0.83	346	1.24	125	-	-	1.23	125		
4	HCL Eagle Limited	India	100%	0.03	12	-	-	-	-	-	-		
5	HCL Global Processing Services Limited	India	100%	0.10	42	0.05	5	-	-	0.05	5		
6	HCL Technologies Solutions Limited	India	100%	0.01	6	(0.01)	(1)	-	-	(0.01)	(1)		
7	Concept2Silicon Systems Private Limited	India	100%	0.02	9	-	-	-	-	-	-		
8	HCL Training & Staffing Services Private Limited	India	100%	0.06	26	(0.10)	(11)	-	-	(0.11)	(11)		
9	C3i Support Services Private Limited	India	100%	0.02	8	0.05	5	-	-	0.05	5		
Foreign													
10	HCL Bermuda Limited	Bermuda	100%	0.01	3	0.03	3	-	-	0.03	3		
11	HCL Technologies (Shanghai) Limited	China	100%	0.12	51	0.13	13	-	-	0.13	13		
12	HCL Singapore Pte. Limited	Singapore	100%	0.52	214	0.57	58	-	-	0.57	58		
13	HCL Great Britain Limited	UK	100%	0.10	42	0.38	38	-	-	0.38	38		
14	HCL (Netherlands) BV	Netherlands	100%	0.15	64	0.12	12	-	-	0.12	12		
15	HCL Belgium NV	Belgium	100%	0.16	64	0.06	6	-	-	0.06	6		
16	HCL Sweden AB	Sweden	100%	0.25	102	0.13	13	-	-	0.13	13		
17	HCL GmbH	Germany	100%	0.12	50	0.11	12	-	-	0.11	12		
18	HCL Italy SRL	Italy	100%	0.04	16	0.01	1	-	-	0.01	1		
19	HCL Australia Services Pty. Limited	Australia	100%	0.38	157	0.62	63	-	-	0.62	63		
20	HCL (New Zealand) Limited	New Zealand	100%	0.08	32	0.10	10	-	-	0.10	10		
21	HCL Hong Kong SAR Limited	Hong Kong	100%	0.03	14	0.12	12	-	-	0.12	12		
22	HCL Japan Limited	Japan	100%	0.26	109	0.22	22	-	-	0.22	22		
23	HCL America Inc.	USA	100%	6.46	2,679	7.01	710	-	-	6.98	710		
24	HCL Technologies Austria GmbH	Austria	100%	0.06	23	0.09	9	-	-	0.09	9		
25	HCL Poland Sp.z.o.o	Poland	100%	0.01	5	0.31	31	-	-	0.31	31		
26	HCL EAS Limited	UK	100%	0.18	75	0.19	19	-	-	0.19	19		

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2019	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2019									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
27	HCL Insurance BPO Services Limited	UK	100%	(0.06)	(23)	0.07	7	-	-	0.07	7		
28	Axon Group Limited	UK	100%	0.05	20	(0.01)	(1)	-	-	(0.01)	(1)		
29	HCL Axon Technologies Inc.	Canada	100%	0.46	192	0.46	47	-	-	0.46	47		
30	HCL Technologies Solutions GmbH	Switzerland	100%	0.09	37	0.04	4	-	-	0.04	4		
31	Axon Solutions Pty. Limited	Australia	100%	0.03	13	-	-	-	-	-	-		
32	Axon Solutions Limited	UK	100%	4.31	1,787	0.59	60	-	-	0.59	60		
33	HCL Axon Malaysia Sdn. Bhd.	Malaysia	100%	0.16	64	0.29	30	-	-	0.29	30		
34	Axon Solutions Singapore Pte. Limited	Singapore	100%	0.01	5	-	-	-	-	-	-		
35	Axon Solutions (Shanghai) Co. Limited	China	100%	0.30	122	0.33	34	-	-	0.33	34		
36	HCL Axon (Proprietary) Limited	South Africa	100%	0.82	342	0.28	28	-	-	0.28	28		
37	HCL Argentina s.a.	Argentina	100%	0.02	8	(0.01)	(1)	-	-	(0.01)	(1)		
38	HCL Mexico S. de R.L.	Mexico	100%	0.22	92	(0.07)	(7)	-	-	(0.07)	(7)		
39	HCL Technologies Romania s.r.l.	Romania	100%	0.01	2	0.01	1	-	-	0.01	1		
40	HCL Hungary Kft	Hungary	100%	0.01	6	0.01	1	-	-	0.01	1		
41	HCL Latin America Holding LLC	USA	100%	-	1	-	-	-	-	-	-		
42	HCL (Brazil) Tecnologia da informacao Ltda.	Brazil	100%	0.15	64	(0.05)	(5)	-	-	(0.05)	(5)		
43	HCL Technologies Denmark Aps	Denmark	100%	0.53	220	0.29	29	-	-	0.29	29		
44	HCL Technologies Norway AS	Norway	100%	0.44	184	0.42	43	-	-	0.42	43		
45	PT. HCL Technologies Indonesia Limited	Indonesia	100%	0.04	18	0.02	2	-	-	0.02	2		
46	HCL Technologies Philippines Inc.	Philippines	100%	0.12	50	0.22	22	-	-	0.22	22		
47	HCL Technologies South Africa (Proprietary) Limited	South Africa	100%	0.05	21	(0.06)	(6)	-	-	(0.06)	(6)		
48	HCL Arabia LLC	Saudi Arabia	100%	0.05	19	-	-	-	-	-	-		
49	HCL Technologies France SAS	France	100%	0.56	232	0.10	10	-	-	0.10	10		
50	Filial Espanola De HCL Technologies S.L	Spain	100%	0.16	66	0.04	4	-	-	0.04	4		
51	Anzospan Investments Pty Limited	South Africa	100%	0.01	4	-	-	-	-	-	-		
52	HCL Investments (UK) Limited	UK	100%	0.26	106	0.06	6	-	-	0.06	6		
53	HCL America Solutions Inc.	USA	100%	0.26	108	0.05	5	-	-	0.05	5		
54	HCL Technologies Chile Spa	Chile	100%	0.10	41	0.04	4	-	-	0.04	4		
55	HCL Technologies UK Limited	UK	100%	0.71	294	0.30	30	-	-	0.30	30		
56	Statstreet HCL Holding UK Limited *	UK	100%	-	-	-	-	-	-	-	-		

Notes to consolidated financial statements for the year ended 31 March 2020

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2019	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2019									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
57	Statestreet HCL Services (Philippines) Inc. *	Philippines	100%	0.07	28	(0.02)	(2)	-	-	(0.02)	(2)		
58	HCL Technologies B.V.	Netherlands	100%	(0.02)	(10)	0.26	26	-	-	0.26	26		
59	HCL (Ireland) Information Systems Limited	Ireland	100%	0.12	51	0.38	38	-	-	0.38	38		
60	HCL Technologies Germany Gmbh	Germany	100%	0.13	53	0.44	45	-	-	0.43	45		
61	HCL Technologies Belgium BVBA	Belgium	100%	0.09	37	0.05	5	-	-	0.05	5		
62	HCL Technologies Sweden AB	Sweden	100%	1.44	598	1.95	198	-	-	1.93	198		
63	HCL Technologies Finland Oy	Finland	100%	0.79	329	0.45	46	-	-	0.45	46		
64	HCL Technologies Italy S.P.A	Italy	100%	0.05	23	0.12	12	-	-	0.12	12		
65	HCL Technologies Columbia S.A.S	Columbia	100%	0.03	14	(0.02)	(2)	-	-	(0.02)	(2)		
66	HCL Technologies Middle East FZ-LLC	UAE	100%	0.06	23	0.04	4	-	-	0.04	4		
67	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	0.03	12	0.03	3	-	-	0.03	3		
68	HCL Technologies Greece Single Member P.C	Greece	100%	0.02	7	0.01	1	-	-	0.01	1		
69	HCL Technologies S.A.	Venezuela	100%	-	-	(0.02)	(2)	-	-	(0.02)	(2)		
70	HCL Technologies Beijing Co., Ltd	China	100%	-	-	0.05	5	-	-	0.05	5		
71	HCL Technologies Luxembourg S.a.r.l	Luxembourg	100%	-	1	0.01	1	-	-	0.01	1		
72	HCL Technologies Egypt Limited	Egypt	100%	0.02	7	0.01	1	-	-	0.01	1		
73	HCL Technologies Estonia OÜ	Estonia	100%	0.01	6	0.01	1	-	-	0.01	1		
74	HCL Technologies (Thailand) Ltd.	Thailand	100%	0.05	21	0.02	2	-	-	0.01	2		
75	HCL Technologies Czech Republic s.r.o.	Czech Republic	100%	(0.01)	(3)	0.09	9	-	-	0.09	9		
76	HCL Muscat Technologies L.L.C.	Oman	100%	0.01	4	0.02	2	-	-	0.02	2		
77	Powerteam, LLC	USA	100%	0.56	233	0.18	18	-	-	0.18	18		
78	Point To Point Limited	UK	100%	0.09	39	(0.01)	(1)	-	-	(0.01)	(1)		
79	Point To Point Products Limited	UK	100%	0.02	6	0.01	1	-	-	0.01	1		
80	HCL Technologies Lithuania UAB	Lithuania	100%	0.02	7	0.06	6	-	-	0.06	6		
81	HCL Technologies (Taiwan) Ltd.	China	100%	0.01	4	-	-	-	-	-	-		
82	Geometric Americas, Inc.	USA	100%	0.63	261	0.08	8	-	-	0.08	8		
83	Geometric Asia Pacific Pte. Ltd	Singapore	100%	0.05	23	0.08	8	-	-	0.08	8		
84	Geometric Europe GmbH	Germany	100%	0.22	91	0.04	4	-	-	0.04	4		

Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in crores of ₹, except share data and as stated otherwise)

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2019	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2019									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
85	Geometric China, Inc.	China	100%	0.04	15	(0.02)	(2)	-	-	(0.02)	(2)		
86	Geometric SRL	Romania	100%	0.01	6	0.01	1	-	-	0.01	1		
87	Geometric SAS	France	100%	0.08	35	0.05	5	-	-	0.05	5		
88	Butler America Aerospace LLC	USA	100%	1.46	604	(0.10)	(10)	-	-	(0.10)	(10)		
89	HCL Mortgage Holding LLC	USA	100%	-	-	0.06	6	-	-	0.06	6		
90	Urban Fulfillment Services LLC	USA	100%	0.11	43	(0.60)	(61)	-	-	(0.60)	(61)		
91	Datawave (An HCL Technologies Company) Limited (formerly known as "ETL Factory Limited")	Scotland	100%	0.29	118	(0.10)	(10)	-	-	(0.10)	(10)		
92	HCL Technologies Corporate Services Limited	UK	100%	3.84	1,591	0.17	17	-	-	0.17	17		
93	Telerx Marketing, Inc.	USA	100%	0.89	369	0.18	18	-	-	0.18	18		
94	C3i Europe Eood	Bulgaria	100%	(0.01)	(4)	0.06	6	-	-	0.06	6		
95	C3i (UK) Limited	UK	100%	-	-	-	-	-	-	-	-		
96	C3i Japan GK	Japan	100%	-	1	-	-	-	-	-	-		
97	C3i Services & Technologies (Dalian) Co., Ltd	China	100%	-	1	0.04	4	-	-	0.04	4		
98	HCL Technologies SEP Holdings Inc	USA	80%	(0.38)	(157)	(0.56)	(57)	-	-	(0.56)	(57)		
99	Action Corporation (and including its subsidiaries)	USA	80%	5.44	2,254	0.31	32	-	-	0.31	32		
100	Honisberg & Duvel Corporation	USA	100%	0.01	3	(0.01)	(1)	-	-	(0.01)	(1)		
101	Honisberg & Duvel Datentchnik GMBH	Germany	100%	0.60	246	0.04	5	-	-	0.04	5		
102	H&D Business Services GmbH	Germany	100%	(0.01)	(3)	-	-	-	-	-	-		
103	H&D IT Solutions GmbH	Germany	100%	(0.03)	(11)	-	-	-	-	-	-		
104	H&D Training und Consulting GmbH	Germany	100%	-	-	-	-	-	-	-	-		
105	H&D IT Professional Services GmbH	Germany	100%	-	(1)	-	-	-	-	-	-		
106	qmo-it GmbH	Germany	100%	-	1	-	-	-	-	-	-		
107	H&D Services for Engineering GmbH	Germany	100%	(0.01)	(4)	-	-	-	-	-	-		
108	catis GmbH	Germany	100%	-	-	-	-	-	-	-	-		
109	H&D IT Automotive Services GmbH	Germany	100%	(0.01)	(3)	-	-	-	-	-	-		
110	ca Management Services GmbH	Germany	100%	(0.01)	(4)	-	-	-	-	-	-		
111	H&D ITAS Infrastructure Services GmbH	Germany	100%	(0.01)	(5)	-	-	-	-	-	-		
112	H&D ITAS Application Services GmbH	Germany	100%	(0.01)	(2)	-	-	-	-	-	-		

Notes to consolidated financial statements for the year ended 31 March 2020

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

S. No.	Name of the Entity	Country of incorporation	Percentage holding as at 31 March 2019	Net Assets, i.e. total assets minus liabilities as at		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income			
				31 March 2019									
				As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount	As % of consolidate	Amount		
113	H&D ITAS Client Services GmbH	Germany	100%	(0.01)	(5)	-	-	-	-	-	-		
114	H&D ITAS Sud GmbH	Germany	100%	-	(1)	-	-	-	-	-	-		
115	H&D International GmbH	Germany	100%	0.01	3	0.02	2	-	-	0.02	2		
116	Honisberg & Duvel Datentechnik Czech s.r.o.	Czech Republic	100%	0.04	17	0.03	3	-	-	0.03	3		
117	HCL Technologies Vietnam Company Limited	Vietnam	100%	-	-	-	-	-	-	-	-		
118	HCL Guatemala, Sociedad Anonima	Guatemala	100%	-	-	-	-	-	-	-	-		
Total				100.00	41,469	100.00	10,120	100.00	44	100.00	10,164		
Non controlling interest					(103)		-		-		-		
Consolidation adjustments					-		-		146		146		
Consolidated Net assets / Profit after tax					41,366		10,120		190		10,310		

Note: Dividend received from subsidiaries has been excluded from profits.

* The Group has equity interest of 49% and 100% dividend rights and control

3.37 Subsequent events

The Board of Directors in their meeting on 7 May 2020 recommended a final dividend of ₹ 2 per equity share for the financial year ended 31 March 2020. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company.

As per our report of even date attached

FOR B S R & Co. LLP Chartered Accountants

Firm's Registration No. : 101248W/W-100022

Vikram Advani
Partner

Membership Number: 091765

Gurugram, India
7 May 2020

For and on behalf of the Board of Directors of HCL Technologies Limited

Shiv Nadar
Chairman and
Chief Strategy Officer

Prateek Aggarwal
Chief Financial Officer

Noida (UP), India
7 May 2020

S. Madhavan
Director

Prahlad Rai Bansal
Deputy Chief Financial Officer

C. Vijayakumar
President and
Chief Executive Officer

Manish Anand
Company Secretary

Statement containing the salient features of the financial statements of subsidiaries/ associates companies

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-I]

(Amount in ₹ Thousand)

S.No	Name of the Subsidiary Company	Date of acquisition / incorporation	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Extent of shareholding (in percentage)
1	HCL Comnet Systems & Services Limited	24-Aug-99	31-Mar-20	INR	1.00	12,800	16,176	554,723	525,747	175,914	335,617	(73,665)	83,927	(157,592)	-	100%
2	HCL Comnet Limited	8-Aug-01	31-Mar-20	INR	1.00	9,500	2,712,500	4,104,400	1,382,400	1,993,676	913,700	27,700	74,400	(46,700)	-	100%
3	HCL Bermuda Limited	10-Dec-97	31-Mar-20	USD	75.67	33,975,557	22,620,620	58,003,156	1,406,979	-	-	409,366	-	409,366	-	100%
4	HCL Technologies (Shanghai) Limited	23-Jul-07	31-Dec-19	CNY	10.25	157,026	431,030	1,930,983	1,342,927	-	1,602,350	116,057	40,322	75,735	-	100%
5	HCL Eagle Limited	14-Sep-11	31-Mar-20	INR	1.00	1,000	128,494	132,720	3,226	130,726	-	7,216	1,988	5,228	-	100%
6	HCL Singapore Pte. Limited	1-Jan-03	31-Mar-20	SGD	53.03	107,909	2,584,365	5,711,182	3,018,908	-	10,808,446	795,856	134,034	661,822	-	100%
7	HCL Training & Staffing Services Private Limited	29-Feb-16	31-Mar-20	INR	1.00	17,513	(62,913)	250,476	295,876	101,036	437,082	(289,726)	21,910	(311,636)	-	100%
8	HCL Great Britain Limited	7-Jan-97	31-Mar-20	GBP	93.54	988,600	2,382,108	7,097,799	3,727,091	-	7,044,773	185,783	16,136	169,647	-	100%
9	HCL (Netherlands) BV	5-Mar-98	31-Mar-20	EUR	82.74	1,502	399,386	2,676,101	2,275,213	-	1,888,980	99,293	24,691	74,602	-	100%
10	HCL Belgium NV	6-Mar-98	31-Mar-20	EUR	82.74	295,212	187,072	801,698	319,414	-	1,008,630	60,764	18,952	41,812	-	100%
11	HCL Sweden AB	12-Jan-98	31-Mar-20	SEK	7.47	747	923,539	1,962,873	1,038,587	-	2,645,583	112,357	38,075	74,282	-	100%
12	HCL GmbH	23-Feb-98	31-Mar-20	EUR	82.74	2,126	755,078	1,220,118	462,914	-	2,474,625	147,710	40,603	107,107	-	100%
13	HCL Australia Services Pty. Limited	21-May-98	31-Mar-20	AUD	46.04	23,021	1,973,617	6,570,594	4,573,956	-	18,489,721	876,582	265,198	611,384	-	100%
14	HCL (New Zealand) Limited	28-Jan-98	31-Mar-20	NZD	44.87	2,083	252,822	557,557	302,652	-	1,611,609	107,098	29,953	77,145	-	100%
15	HCL Hong Kong SAR Limited	5-Jun-98	31-Mar-20	HKD	9.76	1,885	468,278	735,501	265,338	-	1,163,090	89,614	5,450	84,164	-	100%
16	HCL Japan Limited	10-Feb-98	31-Mar-20	JPY	0.70	153,000	640,000	5,607,000	4,814,000	-	11,008,000	443,000	231,000	212,000	-	100%
17	HCL America Inc.	17-Jan-95	31-Mar-20	USD	75.67	530,000	84,215,000	185,081,000	100,336,000	452,000	252,888,000	12,688,000	2,291,000	10,397,000	-	100%
18	HCL Technologies Austria GmbH	1-Mar-97	31-Mar-20	EUR	82.74	39,082	7,062,617	7,979,540	877,841	-	1,026,138	(9,718)	197	(9,915)	-	100%
19	HCL Software Products Limited (Formerly "HCL Global Processing Services Limited")	22-Feb-99	31-Mar-20	INR	1.00	1,061	456,266	686,486	229,159	432,974	53,877	15,700	4,086	11,614	-	100%
20	HCL Technologies (Taiwan) Ltd.	15-Dec-16	31-Mar-20	TWD	2.50	27,510	30,206	298,619	240,903	-	262,692	27,927	5,913	22,014	-	100%
21	HCL Technologies Lithuania UAB	26-Aug-16	31-Mar-20	EUR	82.74	29,785	141,145	696,065	525,135	-	1,794,325	79,472	12,237	67,235	-	100%
22	HCL Technologies Solutions Limited	1-Jul-08	31-Mar-20	INR	1.00	10,501	48,903	60,101	697	43,733	-	899	1,842	(943)	-	100%
23	HCL Poland Sp.z.o.o	31-May-07	31-Mar-20	PLN	18.21	252,216	915,033	3,213,350	2,046,101	-	4,390,478	352,326	77,396	274,930	-	100%
24	HCL EAS Limited	11-Sep-08	31-Mar-20	USD	75.67	11,921,823	5,813	59,971,366	48,043,730	-	268,630	(17,674)	(23,487)	5,813	-	100%

(Amount in ₹ Thousand)

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25	HCL Insurance BPO Services Limited	1-Sep-08	31-Mar-20	GBP	93.54	758,545	(107,351)	1,550,972	899,778	-	1,984,523	37,744	-	37,744	-	100%
26	Axon Group Limited	15-Dec-08	31-Mar-20	GBP	93.54	63,424	18,209,165	18,277,597	5,008	-	-	2,305,674	60,055	2,245,619	-	100%
27	HCL Canada Inc. (Formerly "HCL Axon Technologies Inc.")	15-Dec-08	31-Mar-20	CAD	53.06	11,000	3,787,600	7,761,100	3,962,500	-	12,908,900	954,800	294,700	660,100	-	100%
28	HCL Technologies Solutions GmbH	15-Dec-08	31-Mar-20	CHF	78.32	9,398	253,138	1,540,835	1,278,299	-	2,760,682	117,196	8,656	108,540	-	100%
29	Axon Solutions Limited	15-Dec-08	31-Mar-20	GBP	93.54	94	5,223,668	9,124,729	3,900,967	-	4,553,257	726,042	137,877	588,365	-	100%
30	HCL Technologies Malaysia Sdn. Bhd. (Formerly "HCL Axon Malaysia Sdn. Bhd.")	15-Dec-08	31-Dec-19	MYR	17.44	383,737	1,509,540	2,534,765	641,488	-	2,685,833	217,898	46,024	171,874	-	100%
31	Axon Solutions Singapore Pte. Limited	15-Dec-08	31-Mar-20	SGD	53.03	5,303	(63,571)	74,040	132,308	-	28,626	2,250	400	1,850	-	100%
32	Axon Solutions (Shanghai) Co. Limited	15-Dec-08	31-Dec-19	CNY	10.25	21,214	1,067,419	2,904,967	1,816,334	-	2,656,306	244,089	90,812	153,277	-	100%
33	HCL Technologies (Proprietary) Ltd (Formerly "HCL Axon (Proprietary) Limited") (Note 10)	15-Dec-08	31-Mar-20	ZAR	4.24	368,663	1,377,510	3,208,519	1,462,346	-	4,155,736	(83,329)	132,169	(215,498)	-	48%
34	HCL Argentina s.a.	27-Jul-09	31-Mar-20	ARS	1.18	24,177	(33,139)	365,758	374,720	-	229,260	(27,776)	(5,510)	(22,266)	-	100%
35	HCL Mexico S. de R.L.	25-Jun-09	31-Dec-19	MXN	3.77	172,304	47,319	2,981,796	2,762,173	-	4,921,155	175,596	142,945	33,051	-	100%
36	HCL Technologies Romania s.r.l.	28-May-09	31-Dec-19	RON	16.74	5,908	60,453	493,768	427,407	-	653,086	54,730	9,039	45,691	-	100%
37	HCL Hungary Kft	12-May-09	31-Mar-20	HUF	0.23	2,068	4,674	222,418	215,676	-	138,548	(11,974)	299	(12,273)	-	100%
38	HCL Latin America Holding LLC	30-Mar-09	31-Mar-20	USD	75.67	1,323,835	11,969	1,718,534	382,730	-	144,165	11,161	9,885	1,276	-	100%
39	HCL (Brazil) Tecnologia da informacao EIRELI (Formerly "HCL (Brazil) Tecnologia da informacao Ltda.")	30-Dec-08	31-Dec-19	BRL	17.75	541,499	(254,150)	3,018,177	2,730,828	-	2,934,565	120,426	2,208	118,218	-	100%
40	HCL Technologies Denmark Apps	23-Jun-10	31-Mar-20	DKK	11.07	36,192	926,968	2,858,647	1,895,487	-	6,457,345	322,895	71,213	251,682	-	100%
41	HCL Technologies Norway AS	9-Jun-10	31-Mar-20	NOK	7.22	21,604	1,734,149	3,442,092	1,686,339	-	9,056,039	700,342	154,124	546,218	-	100%
42	PT. HCL Technologies Indonesia Limited	13-Aug-10	31-Mar-20	IDR	0.00	48,256	62,014	529,234	418,964	-	437,696	76,718	19,363	57,355	-	100%
43	HCL Technologies Philippines Inc.	24-Nov-10	31-Mar-20	PHP	1.48	403,335	907,813	2,634,830	1,323,682	-	3,014,690	322,328	49,489	272,839	-	100%
44	HCL Technologies South Africa (Proprietary) Limited (Note 10)	14-Sep-10	31-Mar-20	ZAR	4.24	1,128,128	187,938	1,322,346	6,280	-	42,234	13,920	3,910	10,010	-	36%
45	HCL Arabia LLC	7-May-11	31-Dec-19	SAR	19.02	116,021	10,994	531,877	404,922	-	362,798	(8,401)	(1,200)	(7,201)	-	100%
46	HCL Technologies France SAS	7-Mar-11	31-Mar-20	EUR	82.74	208,161	1,120,280	5,306,225	3,977,784	-	9,190,707	399,428	139,088	260,340	-	100%

(Amount in ₹ Thousand)

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47	Filial Espanola De HCL Technologies S.L	12-Jan-11	31-Mar-20	EUR	82.74	24,820	215,784	1,774,146	1,533,542	-	2,241,083	104,630	26,158	78,472	-	100%
48	Anzospan Investments Pty Limited (Note 10)	15-Mar-11	31-Mar-20	ZAR	4.24	260,352	1,155,462	1,674,598	258,784	-	-	2,023,024	-	2,023,024	-	70%
49	HCL Investments (UK) Limited	9-Nov-11	31-Mar-20	USD	75.67	3,008,999	190,661	7,286,143	4,086,483	-	98,899	148,862	27,012	121,850	-	100%
50	HCL America Solutions Inc.	26-Jun-12	31-Mar-20	USD	75.67	800	139,300	3,268,700	3,128,600	-	6,931,000	129,100	36,100	93,000	-	100%
51	HCL Technologies Chile Spa	10-Jun-13	31-Dec-19	CLP	0.10	57,226	202,108	740,018	480,684	-	657,558	74,354	21,397	52,957	-	100%
52	HCL Technologies UK Limited	20-Aug-13	31-Mar-20	GBP	93.54	7,304,730	3,654,000	44,284,110	33,325,380	334,890	52,433,250	1,715,780	223,570	1,492,210	-	100%
53	HCL Technologies B.V.	19-Sep-13	31-Mar-20	EUR	82.74	8,273	899,658	4,239,248	3,331,317	-	9,496,455	432,306	110,276	322,030	-	100%
54	HCL (Ireland) Information Systems Limited	29-Oct-13	31-Mar-20	EUR	82.74	8,273	774,866	2,851,910	2,068,771	-	6,632,160	1,037,749	129,071	908,678	-	100%
55	HCL Technologies Germany GmbH	21-Nov-13	31-Mar-20	EUR	82.74	8,273	1,502,222	12,247,910	10,737,415	-	14,492,511	808,179	216,560	591,619	-	100%
56	HCL Technologies Belgium BVBA	25-Nov-13	31-Mar-20	EUR	82.74	8,273	28,320	2,113,509	2,076,916	-	2,867,497	60,266	19,634	40,632	-	100%
57	HCL Technologies Sweden AB	18-Dec-13	31-Mar-20	SEK	7.47	10,315	7,844,081	20,257,535	12,403,139	-	32,793,146	2,339,658	516,065	1,823,593	-	100%
58	HCL Technologies Finland Oy	14-Jan-14	31-Mar-20	EUR	82.74	8,273	1,214,344	11,468,475	10,245,858	-	11,018,186	867,110	173,694	693,416	-	100%
59	HCL Technologies Italy S.P.A	29-Jul-14	31-Mar-20	EUR	82.74	234,967	605,310	3,413,213	2,572,936	-	5,069,195	316,424	90,484	225,940	-	100%
60	HCL Technologies Columbia S.A.S	6-Aug-14	31-Dec-19	COP	0.02	16,759	(84,536)	234,770	302,547	-	165,948	13,643	39,974	(26,331)	-	100%
61	HCL Technologies Middle East FZ-LLC	19-Aug-14	31-Mar-20	AED	20.59	75,138	45,917	627,965	506,910	-	624,061	29,164	-	29,164	-	100%
62	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	30-Sep-14	31-Mar-20	TRY	11.52	1,152	78,417	313,288	233,719	-	230,469	3,928	2,215	1,713	-	100%
63	HCL Technologies Greece Single Member P.C	30-Sep-14	31-Mar-20	EUR	82.74	36,486	15,985	153,131	100,660	-	103,814	3,520	1,212	2,308	-	100%
64	HCL Technologies S.A.	20-Nov-14	31-Mar-20	VES	0.00	28	1,363	19,267	17,876	-	29,238	2,006	638	1,368	-	100%
65	HCL Technologies Beijing Co. Ltd	6-Feb-15	31-Dec-19	CNY	10.25	64,802	64,738	771,125	641,585	-	646,748	24,471	10,377	14,094	-	100%
66	HCL Technologies Luxembourg S a r l	12-Feb-15	31-Mar-20	EUR	82.74	4,137	38,043	75,889	33,709	-	105,216	5,804	1,316	4,488	-	100%
67	HCL Technologies Egypt Limited	22-Mar-15	31-Mar-20	EGP	4.81	22,364	9,864	181,864	149,636	-	120,819	14,672	781	13,891	-	100%
68	HCL Technologies Estonia OÜ	8-Jun-15	31-Mar-20	EUR	82.74	16,547	(13,446)	113,948	110,847	-	39,374	5,985	-	5,985	-	100%
69	HCL Technologies (Thailand) Ltd.	10-Jun-15	31-Mar-20	THB	2.31	45,270	63,903	331,864	222,691	-	256,539	34,612	9,615	24,997	-	100%
70	HCL Technologies Czech Republic s.r.o.	28-Aug-15	31-Dec-19	CZK	3.15	104,722	120,011	1,075,278	850,545	-	2,086,084	98,359	25,124	73,235	-	100%
71	HCL Muscat Technologies L.L.C.	17-Dec-15	31-Mar-20	OMR	196.46	34,125	37,860	154,117	82,132	-	128,517	12,498	1,888	10,610	-	100%
72	ConceptSilicon Systems Private Limited	15-Oct-15	31-Mar-20	INR	1.00	150	14,782	19,040	4,108	-	9,733	(3,988)	(169)	(3,819)	-	100%

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73	Powerteam LLC	28-Oct-15	31-Mar-20	USD	75.67	95	2,838,261	3,875,839	1,037,483	-	5,568,632	269,604	74,279	195,325	-	100%
74	Point To Point Limited	22-Jan-16	31-Mar-20	GBP	93.54	15,390	88,111	104,793	1,292	-	-	(4,768)	(988)	(3,780)	-	100%
75	Point to Point Products Limited #	22-Jan-16	31-Mar-20	GBP	93.54	-	62,304	163,360	101,056	-	233,936	16,750	3,182	13,568	-	100%
76	Statesreet HCL Holding UK Limited (Note 7)	9-Dec-11	31-Mar-20	GBP	93.54	598,253	(4,761)	597,723	4,231	-	-	(1,209)	(239)	(970)	-	100%
77	Statesreet HCL Services (India) Private Limited (Note 7)	6-Jan-12	31-Mar-20	INR	1.00	393,693	4,655,822	7,291,211	2,241,696	-	4,797,445	790,885	62,696	728,189	-	100%
78	Statesreet HCL Services (Philippines) Inc. (Note 7)	20-Jun-13	31-Mar-20	PHP	1.48	127,323	185,921	327,094	13,850	-	(2,692)	34,177	-	34,177	-	100%
79	Geometric Europe GmbH	1-Apr-16	31-Mar-20	EUR	82.74	1,162,430	(889,332)	813,713	540,615	-	826,515	(65,998)	(41,066)	(24,932)	-	100%
80	HCL Asia Pacific Pte Ltd (Formerly "Geometric Asia Pacific Pte. Ltd")	1-Apr-16	31-Mar-20	SGD	53.03	5,303	319,858	848,026	522,865	-	455,244	33,171	8,483	24,688	-	100%
81	Geometric China, Inc.	1-Apr-16	31-Dec-19	CNY	10.25	33,638	9,761	214,438	171,039	-	73,175	64,756	-	64,756	-	100%
82	Geometric Americas, Inc.	1-Apr-16	31-Mar-20	USD	75.67	912,726	196,331	2,021,555	912,498	-	3,575,503	130,103	185,548	(55,445)	-	100%
83	Geometric SRL	1-Apr-16	31-Dec-19	RON	16.74	6	87,312	99,357	12,039	-	87,081	14,534	2,386	12,148	-	100%
84	Geometric SAS	1-Apr-16	31-Mar-20	EUR	82.74	201,625	19,217	494,094	273,252	-	998,692	39,731	8,031	31,700	-	100%
85	Butler America Aerospace LLC	3-Jan-17	31-Mar-20	USD	75.67	-	973,923	1,755,811	781,888	-	5,923,281	282,294	41,521	240,773	-	100%
86	HCL Foundation	30-Dec-14	31-Mar-20	INR	1.00	500	(262)	268	30	-	-	(41)	-	(41)	-	100%
87	Urban Fulfillment Services LLC	23-Aug-17	31-Dec-19	USD	71.36	786,503	(392,642)	991,076	595,215	-	1,352,273	(4,476)	-	(4,476)	-	100%
88	Datawave (An HCL Technologies Company) Limited (Formerly known as "ETL Factory Limited")	1-Sep-17	31-Mar-20	GBP	93.54	11	273,320	500,979	227,648	-	1,237,395	16,261	3,097	13,164	-	100%
89	HCL Technologies Corporate Services Limited #	5-Mar-18	31-Mar-20	USD	75.67	-	-	34,601,056	34,601,056	-	-	-	-	-	-	100%
90	C3i Support Services Private Limited	6-Apr-18	31-Mar-20	INR	1.00	15,421	663,556	832,548	153,571	321,209	634,740	129,139	19,544	109,595	-	100%
91	Telerex Marketing, Inc.	6-Apr-18	31-Dec-19	USD	71.36	142	2,377,815	5,107,874	2,729,917	-	13,504,409	395,723	98,766	296,957	-	100%
92	C3i Europe Eood	6-Apr-18	31-Dec-19	BGN	40.92	6,179	511,119	1,193,047	675,749	-	1,862,534	116,137	11,827	104,310	-	100%
93	C3i (UK) Limited #	6-Apr-18	31-Dec-19	GBP	94.11	-	4,705	10,502	5,797	-	18,531	1,403	267	1,136	-	100%
94	C3i Japan GK #	6-Apr-18	31-Dec-19	JPY	0.66	-	14,828	37,814	22,986	-	91,390	9,689	2,887	6,802	-	100%
95	C3i Services & Technologies (Dalian) Co., Ltd	6-Apr-18	31-Dec-19	CNY	10.25	20,098	279,509	307,761	8,154	-	332,541	47,675	12,134	35,541	-	100%
96	HCL Technologies SEF Holdings Inc	28-Mar-18	31-Dec-19	USD	71.36	1	11,923,839	16,101,715	4,177,875	-	-	(38,966)	(29,490)	(9,476)	-	80%

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97	Actian Corporation (Consolidated)	17-Jul-18	31-Dec-19	USD	71.36	1	(1,034,544)	11,225,783	12,260,326	-	8,044,941	809,339	279,722	529,617	-	80%
98	Actian Australia Pty Ltd #	17-Jul-18	31-Dec-19	AUD	50.01	-	94,603	403,585	308,982	-	506,412	5,993	2,159	3,834	-	80%
99	Actian Europe Limited #	17-Jul-18	31-Dec-19	EUR	80.04	-	51,937	1,204,674	1,152,737	-	1,867,303	15,011	2,877	12,134	-	80%
100	Actian France	17-Jul-18	31-Dec-19	EUR	80.04	2,961	21,263	283,589	259,365	-	231,405	4,332	1,213	3,119	-	80%
101	Actian Germany GmbH	17-Jul-18	31-Dec-19	EUR	80.04	2,001	23,954	341,508	315,553	-	554,522	20,938	6,297	14,641	-	80%
102	Actian International, Inc. #	17-Jul-18	31-Dec-19	USD	71.36	-	6,885	6,885	-	-	-	-	-	-	-	80%
103	Actian Netherlands B.V.	17-Jul-18	31-Dec-19	EUR	80.04	1,441	(434,526)	5,705	438,790	-	31,576	(207)	-	(207)	-	80%
104	Actian Technology Private Limited	17-Jul-18	31-Mar-20	INR	1.00	1,000	12,219	14,914	1,695	-	3,709	994	271	723	-	80%
105	Pervasive Software, Inc.	17-Jul-18	31-Dec-19	USD	71.36	-	-	-	-	-	-	-	-	-	-	80%
106	Versant GmbH	17-Jul-18	31-Dec-19	EUR	80.04	14,406	1,127,248	1,262,666	121,012	-	616,948	152,652	9,378	143,274	-	80%
107	Versant India Private Limited	17-Jul-18	31-Mar-20	INR	1.00	1,000	5,508	9,911	3,403	-	-	(1,527)	44	(1,571)	-	80%
108	Versant Software LLC	17-Jul-18	31-Dec-19	USD	71.36	2,609,748	(511,541)	3,263,377	1,165,170	-	196,575	(92,005)	-	(92,005)	-	80%
109	Hönigsberg & Düvel Datentechnik GMBH	2-Oct-18	31-Dec-19	EUR	80.04	32,894	861,763	2,114,694	1,220,037	-	4,679,259	(139,982)	1,886	(141,868)	-	100%
110	H&D Business Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	54,019	52,018	-	465,445	-	-	-	-	100%
111	H&D IT Solutions GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	252,740	250,739	-	1,306,056	-	-	-	-	100%
112	H&D Training und Consulting GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	(1,382)	619	-	-	-	-	-	-	-	100%
113	H&D International GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	28,856	90,906	60,049	-	241,025	16,319	3,998	12,321	-	100%
114	H&D IT Professional Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	1,901	100	25,475	23,474	-	313,320	-	-	-	-	100%
115	qmo-it GmbH	2-Oct-18	31-Dec-19	EUR	80.04	60,026	9,036	84,838	15,776	-	71,051	3,697	1,134	2,563	-	100%
116	H&D Services for Engineering GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	34,346	32,345	-	612,108	-	-	-	-	100%
117	Hönigsberg & Düvel Datentechnik Czech s.r.o.	2-Oct-18	31-Dec-19	CZK	3.15	18,899	306,633	415,877	90,345	-	708,935	169,398	26,437	142,961	-	100%
118	Hönigsberg & Düvel Corporation	2-Oct-18	31-Dec-19	USD	71.36	7,136	(8,392)	60,572	61,828	-	216,086	(1,021)	(535)	(486)	-	100%
119	CATIS GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	5	57,287	55,281	-	82,222	-	-	-	-	100%
120	H&D IT Automotive Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	229,371	227,370	-	147,102	-	-	-	-	100%
121	CA Management Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	55,670	53,669	-	382,740	-	-	-	-	100%
122	H&D ITAS Infrastructure Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	141,921	139,920	-	819,532	-	-	-	-	100%

(Amount in ₹ Thousand)

S.No	Name of the Subsidiary Company	Date of acquisition / incorporation	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Extent of shareholding (in percentage)
123	H&D ITAS Application Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	34,711	32,710	-	308,507	-	-	-	-	100%
124	H&D ITAS Client Services GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	166,802	164,801	-	1,202,353	-	-	-	-	100%
125	H&D ITAS Sud GmbH	2-Oct-18	31-Dec-19	EUR	80.04	2,001	-	9,987	7,986	-	114,443	-	-	-	-	100%
126	HCL Technologies Vietnam Company Limited	27-Apr-18	31-Mar-20	VND	0.00	3,662	4,345	46,456	38,449	-	52,372	3,788	1,760	2,028	-	100%
127	HCL Guatemala, Sociedad Anonima	22-Feb-19	31-Dec-19	GTQ	9.26	195,071	83,525	1,618,839	1,340,243	-	2,197,618	114,737	31,212	83,525	-	100%
128	Sankalp Semiconductor Private Limited (Note 4)	10-Oct-19	31-Mar-20	INR	1.00	15,178	605,267	925,602	305,157	-	1,457,045	74,526	52,971	21,555	-	100%
129	Sankalpu Semiconductor Private Limited (Note 4)	10-Oct-19	31-Mar-20	INR	1.00	4,300	(3,436)	3,385	2,521	-	26,806	796	-	796	-	100%
130	Sankalp Semiconductor Inc. (Note 4)	10-Oct-19	31-Mar-20	CAD	53.06	4,245	41,572	78,350	32,533	-	211,655	21,612	5,836	15,776	-	100%
131	Sankalp USA Inc. (Note 4) #	10-Oct-19	31-Dec-19	USD	71.36	-	(5,728)	149,754	155,482	-	403,031	(7,087)	8,417	(15,504)	-	100%
132	Sankalp Semiconductor GmbH (Note 4)	10-Oct-19	31-Mar-20	EUR	82.74	2,068	2,330	5,217	819	-	-	(949)	(98)	(851)	-	100%
133	Sankalp Semiconductor SDN. BHD. (Note 4)	10-Oct-19	31-Mar-20	MYR	17.51	8,754	(6,429)	2,708	383	-	-	(1,243)	-	(1,243)	-	100%
134	H C L Technologies Lanka (Private) Limited	29-Nov-19	31-Mar-20	LKR	0.40	14,469	(2,624)	13,222	1,377	-	-	(2,624)	-	(2,624)	-	100%
135	HCL Technologies Bulgaria EOOD	18-Nov-19	31-Dec-19	BGN	40.92	3,478	-	3,478	-	-	-	-	-	-	-	100%

Notes:

- 1 Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as mentioned above for respective subsidiary.
- 2 # Refer table given below for absolute amount of share capital in the following company:

Name of the Subsidiary Company	Share Capital (₹)
Point to Point Products Limited	187
HCL Technologies Corporate Services Limited	76
C3i (UK) Limited	94
C3i Japan GK	1
Action Australia Pty Ltd	50
Action Europe Limited	80
Action International, Inc.	71
Sankalp USA Inc.	143

3 Following are the subsidiaries of HCL Technologies UK Limited, which were incorporated during the year but are yet to commence operations.

Name of the Subsidiary Company	Date of Incorporation
HCL Technologies Trinidad and Tobago Limited	23 May 2019
HCL Technologies Azerbaijan Limited Liability Company	08 October 2019
HCL Technologies (Vietnam) Company Limited	16 March 2020

4 Sankalp Semiconductor Private Limited (and its subsidiaries) was acquired on 10 October 2019.

5 Following are the entities which have been merged during the year

Transferor company	Transferee company	Date of Merger
HCL Italy SRL	HCL Technologies Italy S.P.A	1 April 2019
Strong-Bridge Holding, INC (Acquired on 1 April 2019)	HCL America Inc	4 October 2019
Strong-Bridge LLC (Acquired on 1 April 2019)	HCL America Inc	4 October 2019
Envision Business Consulting, LLC (Acquired on 1 April 2019)	HCL America Inc	4 October 2019
ParAccell LLC.	Action corporation	23 December 2019
Poet Holdings Inc.	Versant Software LLC	27 December 2019

6 Actian Netherlands Holding B.V. was dissolved on 13 January 2020.

7 With respect to entities on serial number 76, 77 and 78, the Group has equity interest of 49% and 100% dividend rights and control.

8 Axon Solutions Pty. Limited is under liquidation hence, no financial statement has been prepared as per their local laws.

9 On 30 September 2017, the Group has terminated its existing arrangements with DXC. Accordingly, CeleritiFinTech Limited (and its step down subsidiaries) and CeleritiFinTech Services Limited (and its step down subsidiaries) has not been consolidated with the Group from that date. Accordingly, their standalone financial statements are not considered for the purpose of this statement.

10 With respect to entities on serial number 33, 44 and 48, the Group has majority composition of board of directors and management control.

11 In view of the Covid -19 pandemic, the financial details of few subsidiaries in certain geographies, whose audit is in progress, have been reported from their unaudited financials.

For HCL Technologies Limited

Shiv Nadar
Chief Strategy Officer

S. Madhavan
Director

C. Vijayakumar
President and Chief Executive Officer

Prateek Aggarwal
Chief Financial Officer

Prahlad Rai Bansal
Deputy Chief Financial Officer

Manish Anand
Company Secretary

Place: Noida, UP (India)
Date: 4 September 2020

US\$ 9.9 B REVENUE
150,000+ IDEAPRENEURS
155 NATIONALITIES
46 COUNTRIES
