

“Transcript of the 32<sup>nd</sup> Annual General Meeting of  
HCL Technologies Limited”

Tuesday, August 13, 2024

11:00 A.M. (IST)

## MODERATOR

Dear Shareholders, Good Morning and welcome to the 32<sup>nd</sup> Annual General Meeting of HCL Technologies Limited.

For smooth conduct of the meeting, the speaker shareholders will be in mute mode only. Audio and video will be switched-on only when they will speak at the AGM as per the pre-registration.

Those shareholders who have not registered themselves as speakers can communicate and share their comments or queries, through the 'Q & A' tab available on the screen for online communication.

I now hand over the proceedings to Ms. Roshni Nadar Malhotra, the Chairperson of HCL Technologies Limited.

Over to the Chairperson.

## CHAIRPERSON

Thank You.

Namaskar and a Very Good Morning.

I welcome all shareholders to the 32<sup>nd</sup> Annual General Meeting of HCL Technologies Limited.

This AGM has been convened through video conferencing which is in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India. The Company has also provided a webcast facility to view the live proceedings of this meeting on NSDL's website.

I am satisfied that the Company has made all efforts feasible to enable the shareholders to participate in this AGM through video conferencing and to vote electronically on the items being considered at this meeting.

It is my pleasure to introduce you to the members of the Board and Management present with us today.

We have with us

- Mr. C. Vijayakumar, Chief Executive Officer & Managing Director of the Company. He is joining this meeting from California, USA.
- Ms. Bhavani Balasubramanian, Independent Director. She is a member of the Audit Committee, the Risk Management Committee, the CSR Committee and the ESG & DEI Committee. She is joining this meeting from Chennai, India.

- Mr. Deepak Kapoor, Independent Director. He is the Chairperson of the Audit Committee and the Risk Management Committee. He is joining this meeting from New Delhi, India.
- Ms. Lee Fang Chew, Independent Director. She is joining this meeting from California, USA.
- Ms. Nishi Vasudeva, Independent Director. She is a member of the Audit Committee, the Risk Management Committee, and the Nomination & Remuneration Committee. She is also the Chairperson of the Stakeholders' Relationship Committee. She is joining this meeting from Mumbai, India.
- Mr. Shikhar Malhotra, Non-Executive Director. He is a member of the Stakeholders' Relationship Committee and the Finance Committee. He is joining this meeting from Mumbai, India.
- Mr. Simon John England, Independent Director. He is a member of the Nomination & Remuneration Committee and the CSR Committee. He is also the Chairperson of the ESG & DEI Committee. He is joining this meeting from London, UK.
- Mr. Thomas Sieber, Independent Director. He is a member of the Audit Committee, the Risk Management Committee and the Finance Committee. He is joining this meeting from Zurich, Switzerland.
- Ms. Vanitha Narayanan, Independent Director. She is the Chairperson of the Nomination & Remuneration Committee. She is joining this meeting from Texas, USA.
- Mr. Prateek Aggarwal, Chief Financial Officer of the Company. He is joining this meeting from Noida, India.
- Mr. Manish Anand, Company Secretary of the Company. He is joining this meeting from Noida, India.

The representative from M/s. B S R & Company, LLP, the Statutory Auditors of the Company and the representative from M/s. Chandrasekaran & Associates, the Secretarial Auditors of the Company of FY'24 are also present in this meeting through Video Conferencing.

Manish, can you please confirm if we have the requisite quorum for this meeting?

[COMPANY SECRETARY](#)

Thank you, Roshni.

I confirm that the requisite quorum is present.

## CHAIRPERSON

Thank You

Dear Shareholders, as we have the requisite quorum to conduct the proceedings of this meeting, I now call this meeting to Order.

The 'Register of Directors & Key Managerial Personnel & their Shareholding', the 'Register of Contracts or Arrangements in which the Directors are interested' and a certificate from the Secretarial Auditors of the Company on the RSU Plan – 2021 are available electronically for inspection during the meeting at the NSDL E-voting platform.

Ladies and Gentlemen, the Notice dated July 19, 2024 convening this Annual General Meeting and a copy of the Annual Report for the financial year ended March 31, 2024, have already been circulated to the shareholders of the Company electronically. With your permission, I shall take them as read.

The Statutory Auditors' Reports on the standalone and consolidated financial statements and the Secretarial Audit Report of the Company for the financial year ended March 31, 2024, do not contain any qualification, reservation, adverse remark, or disclaimer. Accordingly, these reports are not required to be read out, as provided in the Companies Act, 2013.

I will now begin my formal address to the shareholders.

### **Chairperson's Speech 2024**

Dear Shareholders,

Good morning. On behalf of the Board of Directors of HCLTech, I welcome you to the 32<sup>nd</sup> Annual General Meeting of the company. Thank you for taking out the time to join us today.

I will begin my address with an overview of our performance in FY24. You will be pleased to note that HCLTech delivered industry-leading growth, the highest among tier-1 Indian IT services companies, despite the continued global macroeconomic and geopolitical headwinds. This underscores the strength of our differentiated portfolio

across digital, engineering, cloud, AI and software and our ability to deliver innovative and value accretive solutions to our clients.

During the year, our revenue grew 8.3% YoY to ₹109,913 crores. Our revenue has recorded a compounded annual growth rate of 11.7% since FY20. Earnings before other income, tax and finance cost came in at ₹20,027 crores, a growth of 8.4% YoY, while net income for the year was ₹15,702 crores, up 5.7% YoY. Our services business revenue grew 5.4% YoY in constant currency, led by 12.1% YoY growth in Financial Services and 9.8% YoY increase in the Manufacturing verticals. HCLSoftware continued to make significant strategic progress as seen in its subscription and support revenue growth and sustained Annual Recurring Revenue (ARR) of over \$1 billion.

The Return on Invested Capital (ROIC) was 33.8%, up 3.4% from FY23, while the diluted Earnings Per Share (EPS) was at ₹57.86, a growth of 5.6%.

Our balance sheet continues to be very healthy. Operating Cash Flow at \$2.71 billion grew by 21.6% YoY and was 143% of Net Income. Free Cash Flow at \$2.6 billion saw a growth of 27.7% YoY and was at 136% of Net Income.

The full year dividend of ₹52 per share, represented a payout ratio of 89.6%, which is in line with our stated capital allocation policy and among the best in the industry.

As outlined in my address last year, our growth strategy is built on five strategic objectives:

- Leadership through differentiated services and products
- Employer of choice in professional services across all our key geographies
- Preferred Digital partner for Global 2000 enterprises in chosen markets
- Weave ESG goals into business strategy
- Deliver top quartile TSR (Total Shareholder Return) over the medium term

I am pleased to share that we continue to deliver on these objectives with strong market execution, fiscal prudence and high standards of corporate governance.

Our full-stack technology services portfolio and unique engineering heritage allow us to deliver innovative solutions to clients at speed and scale. We strive to be relevant to our clients and add value, irrespective of business cycles and market conditions. This makes HCLTech a trusted partner for global enterprises.

In FY24, the total contract value of new deals was at an all-time high of \$9.8 billion, up 10% YoY. We won 73 new large deals – 36 in services and 37 in software. We added three clients in the \$100M+ category, six in the \$20M+ category, 25 in the \$10M+ category and 20 in the \$5M+ category during the year. The highlight, of course, was our strategic partnership with Verizon Business. This is the largest services deal in HCLTech's history. Here, I would like to call out that we have seen 2.2X growth over the past five years in the number of \$100+ million clients.

We further strengthened our core engineering portfolio with the acquisition of Germany-based ASAP Group. This will add to our existing R&D capabilities and open doors for offering our full-stack technology services to large global automotive companies. We will continue to evaluate strategic acquisitions based on new and relevant capabilities.

I am delighted to share that based on over 2,250 unique customer evaluations globally by ISG, HCLTech won six awards, the highest in the industry, at the ISG Star of Excellence Awards 2023. We received a customer experience (CX) score of 82.3 vs industry average of 68.9 in the ISG evaluation, highlighting the trust clients place in our ability to orchestrate their digital agendas.

HCLTech was also the fastest-growing IT services brand among the top 10 IT companies globally, as per the 2024 Brand Finance Global 500 and IT Services Top 25 Report.

Now I am coming to our people focus. HCLTech has been certified as a Top Employer in 26 countries, with a number one ranking in 15 countries. Our employee value proposition, "Find Your Spark" continues to elevate our people engagement in 60 countries where we operate.

We closed FY24 with 227,481 people and added 12,141 freshers. Our diverse people base represented 159 nationalities. The people attrition rate at 12.4% was among the lowest in the industry while the gender diversity ratio was at 29.1% in FY24. The Gen Z employees constitute 27.2% of our workforce and our dedicated early-career programs like TechBee, proactive DEI policies as well as numerous learning and development opportunities have made HCLTech an attractive career destination for this cohort.

Our nearshore expansion strategy has helped us further diversify our talent base. In FY24, we opened new delivery centers in Romania and Morocco. Four out of every five employees in our major locations are now local.

We are also focusing on going where the talent is. Our New Vistas locations like Lucknow, Madurai, Nagpur and Vijayawada help people from these regions to serve global clients with cutting-edge technology from the proximity of their homes. These locations boast of higher talent retention rates and the employees from these centers today represent 15% of our India headcount.

We are investing aggressively in upskilling our people through a range of programs, especially in emerging areas like GenAI. Over 8 million person-hours of training was enabled for our people during the year.

But what has truly separated HCLTech from its peers is the stability of its leadership team despite the turbulence we saw in the industry. This is a testament to HCLTech's people culture and the opportunities it offers to people to build long-term careers with the company.

I will now talk about sustainability. We are making significant progress in our sustainability agenda led by our ESG strategy anchored in the tenets of Act. Pact. Impact.

As part of our commitment to achieve Net Zero by 2040, we have reduced our Scope 1 and 2 emissions by 25% compared to our FY20 baseline, surpassing the SBTi verified target pathway by 5% for the year. Additionally, we have achieved a 29% reduction in Scope 3 emissions in FY24 compared to our baseline year of FY20, which is nearly 12% more than the target set for this year.

19% of our overall energy consumption now comes through renewable sources and we are committed to increasing this mix to 80% by 2030. 98% of our owned buildings are now rated Platinum by the Green Buildings Council.

Last year, I shared with you our achievements in water stewardship. HCLTech is the first India-headquartered company to join the Water Resilience Coalition and endorse the CEO Water Mandate. I am delighted to inform you that in FY24 we replenished 32 times more water than we consumed across our operations in India vs. 26 times a year ago.

Our global CSR policy centers on the environment, health, education and disaster risk reduction and response. HCLFoundation has driven our CSR efforts in India, investing close to ₹1,400 crores, or \$170 million, so far to positively impact more than 6.5 million lives. Now we have taken this successful model outside India. In FY24, we launched the HCLTech Grant in the Americas program with a commitment of \$5 million over five years to provide grants to NGOs combating climate change and restoring ecosystems and biodiversity across the Americas.

We have also empowered our employees to become sustainability champions within the company and beyond. Our Sustainability School, launched in FY23, saw over 15,700 hours of employee training in FY24.

As we scale up our ESG work across the company and in our communities, we also help leading global enterprises achieve sustainability goals by leveraging our digital transformation expertise and sustainability-focused solutions.

Top global assessment platforms and investors, including CDP, Sustainalytics, S&P Global, FTSE4Good Index Series, MSCI, CRISIL and EcoVadis, have recognized our ESG approach.

And we conduct ourselves with highest levels of integrity and corporate governance standards. It is a matter of pride for all of us on HCLTech being recognized by Ethisphere as one of the World's Most Ethical Companies 2024.

I am also pleased to share with you that our Founder and Chairman Emeritus Shiv Nadar was recognized as 'India's most generous' for the third time in five years in the Edelgive Hurun India Philanthropy List 2023. He was also honored Amrit Ratna Award 2023 by News18 India for his contribution to business and philanthropy. I am sure that the path that he has shown to us—of doing business sustainably and responsibly while ensuring growth for all stakeholders—will continue to take HCLTech to greater heights in years to come.

Looking ahead, we are amid one of the most exciting phases in the history of technology. Transformative technologies like GenAI along with adjacencies such as cloud, data engineering and cybersecurity are bringing new opportunities to the table. HCLTech is well positioned to ride this emerging growth wave with its comprehensive set of offerings, global delivery model and a strong management team.



In particular, I want to highlight our roadmap for GenAI and key initiatives to help our clients unlock the potential of GenAI as the technology moves from labs to real world implementation. Our approach remains grounded in reality and to enable GenAI-based solutions that matter in the real world.

So far, we have delivered 200+ proofs of concept to clients and several of these are now being implemented at scale.

In FY24, we launched HCLTech AI Force, an innovative GenAI platform that accelerates time-to-value by transforming the software development and engineering lifecycle, delivering greater productivity, improved quality and faster release timelines.

We also rolled out HCLTech Enterprise AI Foundry to simplify and scale enterprise AI journeys. The integrated suite of assets combines data engineering and AI with cognitive infrastructure to accelerate GenAI-led transformation across business value chains.

We are investing aggressively in our GenAI Labs globally and partnering with all the leading hyperscalers, semi-conductor firms and OEMs to develop customized solutions for clients.

Most important of all, we are upskilling our people in GenAI and allied areas to ensure they remain ahead of the curve. We plan to train another 50,000 people in AI and GenAI skills during FY25.

In conclusion, on behalf of everyone at HCLTech, I would like to express our sincere gratitude to our Independent Directors – Ms. Robin Abrams, Mr. R Srinivasan, Dr. S Shankara Sastry, Mr. S Madhavan, and Dr. Mohan Chellappa – who retired from the HCLTech Board earlier this month following the completion of their terms. Thank you for valuable guidance and contribution to the growth of the company over the years. I extend heartfelt thanks to all our stakeholders – shareholders, employees, clients and the governments of the countries we serve – for their unwavering support and partnership. Together, we will continue to innovate and drive value in the digital age.

**-Ends-**

Now, I would like to brief you about the resolutions which are required to be approved today. There are "Five Resolutions" in the Notice to be approved by the Shareholders at this Annual General Meeting.

- The First Resolution is relating to the adoption of the Audited Financial Statements, including Audited Consolidated Financial Statements, of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and of the Auditors thereon.
- The Second Resolution is relating to the re-appointment of Mr. C. Vijayakumar, as a director liable to retire by rotation.
- The Third Resolution is relating to the re-appointment of M/s. B S R & Co., LLP as the Statutory Auditors of the Company.
- The Fourth Resolution is relating to the payment of commission to the Non-Executive Directors of the Company.
- The Fifth Resolution is relating to the re-appointment of Mr. Simon John England as an Independent Director of the Company.

We now move to the Question & Answer session with the shareholders who have registered themselves as speakers with the Company for raising their queries or share their views on any item of the AGM notice.

Before we commence this session, I will request Manish Anand, our Company Secretary to share a few guidelines for the Q&A Session.

Over to you, Manish.

#### [COMPANY SECRETARY](#)

Thank you, Roshni.

I will quickly share certain norms to the shareholders for the Q&A session.

- The Q&A session will be anchored by the Moderator who will call the pre-registered speakers to come up one-by-one.
- The Speaker Shareholders are requested to unmute their microphone before speaking and enable their webcam if they wish to appear on the video.

Shareholders, please note that your participation through video conferencing is being recorded.

- In the interest of time kindly restrict your comment / query to not more than 2 minutes.
- To avoid repetition, the response to the queries raised by the shareholders will be provided once all the speaker shareholders have been heard.
- If any shareholders' queries or questions remain unanswered due to paucity of time, such shareholders may write their queries at the designated e-mail id which is [investors@hcltech.com](mailto:investors@hcltech.com) and we will send our response via e-mail.

I now request the Moderator to invite the speaker shareholders. Thank you.

Over to you Moderator.

#### MODERATOR

Thank you, Manish. The first Speaker Shareholder is Mr. Praveen Kumar, joining us from Delhi. Mr. Kumar, please turn on your camera and ask your question. Mr. Kumar, you can go ahead and ask your question please

- **Mr. Praveen Kumar – Speaker Shareholder:**
- Good morning to my Respected Chairperson madam, esteemed Board of Directors, my fellow shareholders, myself, Praveen Kumar, joining this meeting from New Delhi. I have a few observations which I would love to share with the house. But before that, in this financial year, this is our first interaction with the management. I wish the entire management team, each and every employee of our company, a happy, healthy and prosperous future. Coming down to my observation, respected chairperson madam, it was the most excellent address to the shareholder. Very, very in-depth address to the shareholder. I think it covered almost everything what we did last year, where we stand and what the future is like. It was a learning experience for us when we listened to you. It is very, very informative from a retail investor point of view. I've been with the company for years now and I have the deepest respect for our founder, respected Shiv Nadar sir. I think he's a visionary. He established this HCL Technology from a single step to a giant where we stand today, while creating lots and lots of sustainable wealth for us, creating lots of jobs and doing CSR activities under HCL Foundation. So, I am very, very lucky to be part of such a

legacy. I wholeheartedly supported all the resolutions which you set out for the notice today.

- I have a brief question. Nowadays, there's a buzz in the market that ChatGPT will impact the technology company in a very, very big way. So, my question to the management is, number one, we are using it in our operation. Number two, how will it impact our business in the long run? One thing which I would love to address here, which is very, very important for a retail investor like me, highest standard of corporate governance is maintained by our Company Secretary and the entirety team. If we have any update during the course of a year, it will be timely replied to. So I'm very, very thankful for bringing out the highest standard of corporate governance. And thank you for this opportunity to share my views and express my observation. Thank you, sir. Thank you very much.

- **Moderator:**

- Thank you, Mr. Kumar. The next speaker shareholder is Mr. Ashok Kumar Jain, joining us from Delhi. Mr. Jain, please turn on your camera and ask your question. Mr. Jain , you can go ahead and please ask your question.

- **Mr. Ashok Kumar Jain – Shareholder:**

- Good morning, Respected Chairperson ma'am, Board of Directors and my co-fellow shareholder attending this AGM on VC Portal. I, Ashok Kumar Jain, joining this meeting from Delhi. First of all, I would like to congratulate our chairperson ma'am and the management for giving us a great performance during the year 2023-24. The speech given by the respected ma'am is very informative in all sectors. The Board had given interim dividend in every quarter in the year under review. But this dividend is taxable. Whereas I request the management, if it is possible, kindly declare the bonus in the current financial year. I support all the resolutions and I also thanks to our founder Shri Shiv Nadar ji for getting an award. And I also thank our Secretarial Team and the Company Secretary Sir for giving me a chance to speak in the AGM meeting and on my single request, I got the Annual Report. Thank you and best wishes for Independence Day and Rakhi festival, sir. Thank you, sir.

- **Moderator:**

- Thank you, Mr. Jain. The next speaker shareholder is Mr. Gaurav Kumar, joining us from Delhi. Mr. Kumar please turn on your camera and ask your question.

- **Mr. Gaurav Kumar – Shareholder:**

- Namaskar. Respected Chairperson, Board of Directors and fellow shareholders. Good morning to all of you. My name is Gaurav from Delhi. First of all, I would like to thank our Company Secretary and his entire Secretarial Team for giving me the opportunity to express my views on this platform. Ma'am, I am holding shares of the company for last 20 years and attended many physical as well as virtual AGMs. Most of the questions are already covered in your Annual Report.

Still, I wish to know what will be the impact of artificial intelligence on employment in our company. And as far as the agenda of this AGM is concerned, I support all the resolutions along with all my family members. Once again, I wish to thank our CFO, Company Secretary and the entire Secretarial Team for maintaining high standard of corporate governance. In the end, I wish a bright future for the company and great health for all of you. Thank you, ma'am. Jai Hind.

- **Moderator:**
- Thank you, Mr. Kumar. As there are no other registered speaker shareholders, I hand over the proceedings back to the Chairperson.

### CHAIRPERSON

Thank You all Speaker Shareholders.

We will now check and collate if any queries have been raised by the Shareholders on the Live Chat.

I now request the Moderator to play a video after which we will provide our responses to the queries raised by the Shareholders.

Short Video to be played .....

### CHAIRPERSON

Apart from the queries raised by the speaker shareholders, we have also received queries through e-mail and Live Chat, which we would now respond to.

- Dear shareholders, there was a question from Mr. Ashok Kumar Jain on bonus in the financial year, and a question from Mr. Dheeraj on approval of interim dividends as resolution at the AGM agenda. I would just like to clarify that these are decisions taken at the level of the Board. We have stated capital allocation policy, and as stated in my address, at this year our payout ratio was at 89.6%. And we continue to listen to the shareholders and evaluate this on an annual basis.
- There was a question from speaker shareholder Praveen Kumar as well as from Mr. Gaurav on the impact of ChatGPT on business and impact of AI on employment. There were further questions on AI by Mr. Krishnan. In my address again, I spoke extensively of our launch of the HCLTech AI Force, our HCLTech Enterprise AI Foundry, our GenAI labs globally, as well as our target to train 50,000 people in AI and GenAI skills during financial year 2025. I would now like to request Mr. C. Vijayakumar, our CEO and MD to further speak a bit about our AI strategy and differentiation in the market.
- **Mr. C. Vijayakumar - CEO & Managing Director, HCL Technologies Limited:**
- Thank you, Roshni. I will try and address the topic of Generative AI and AI and its impact on our business and how we are addressing it. There are large number

of use cases which are relevant for the type of services that we offer to our customers. If I can summarize all the different use cases, it would come into two categories. One is an efficiency-led use case. A number of things come under this efficiency category. And the second one will be an innovation-led use case, largely driven by data within the enterprise, different formats of data and data which is outside the enterprise.

- So, we have launched two platforms. One is HCLTech AI Force which is a comprehensive platform which addresses all the efficiency-led use cases, both in the IT processes and the business processes. This is one platform if a customer can implement it within their enterprise, then all the different functions within the organization can leverage it to drive their efficiency programs using one consolidated platform which is secure, which has got ways to look at the implementation of responsible AI, and also the traceability of decisions. While we started with Azure Open AI, now this is expanded into several other LLMs. So, I think this is going to be a very strong offering from HCLTech. It's a very uniquely differentiated platform in the industry and we have an edge and we are working with all our customers to implement it.
- The second is on all the innovation. We have launched HCLTech's Enterprise AI Foundry. Here, the true focus is to leverage all the data within the organization in a meaningful manner using Generative AI. This data can be used across all functions without going out or external to the organization. And this is what is driving a lot of innovation-led use cases. The HCLTech's Enterprise AI Foundry really helps the client's Enterprise AI journey. These two solutions comprehensively address it. That's from a solutions perspective.
- We are in the process of maybe 300 proof of concepts, and they would all categorize into five or six scenarios. We are trying to do more and more of artifacts in certain scenarios for various clients, and this momentum is just building up. At the same time, we are training all our people. One set of people who are really users of Generative AI, and the second set of people who are the developers who can create applications and APIs and who can do LLM (large language model) operations. So, I think the real value will be in training and retraining our people to be relevant in the new areas. Of course, there is going to be some efficiency-led optimizations that will happen, but we are very confident that with a proper skilling program, we would continue to keep our people very relevant and do productive work for our clients.
- I think this summarizes what we do in Generative AI and AI and how we plan to address this in the coming months and years.
- **Ms. Roshni Nadar Malhotra - Chairperson, HCL Technologies Limited:**
- Thank you, Vijay. This completes the Q&A session.

## CHAIRPERSON

I will now move on to e-voting. Shareholders may please note that there will be no voting by show of hands. The instructions for e-voting can be read by clicking on the e-voting tab on your screen.

M/s. Nityanand Singh & Co., Company Secretaries has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. Mr. Nityanand Singh, representative of this firm is present at the AGM through video conferencing. The decision of the Scrutinizer will be final regarding the validity and results of the e-voting (including remote e-voting).

The results of voting on the resolutions shall be hosted on the website of the Company, on or before Friday, August 16, 2024.

As all the items of business which are part of the notice of the Annual General Meeting have been taken up, the e-voting is now open for 30 minutes. The proceedings of this meeting shall be closed thereafter.

Thank you once again for joining us today.

On behalf of the Board our gratitude to Mr. C Vijayakumar and the management for their remarkable performance and our gratitude to Company Secretary, Manish Anand and our amazing Secretarial Team.

Wishing you in advance a very Happy Independence Day!!! Jai Hind.

Thank you.

**(END OF TRANSCRIPT)**