

HCL TECHNOLOGIES LTD.

Corporate Identity Number: L74140DL1991PLC046369

Technology Hub, Special Economic Zone

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

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

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www.hcl.com

October 13, 2017

Mr. Girish Joshi : **BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

Mr. Avinash Kharkar : **National Stock Exchange of India Ltd.**
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400051

Sub: Disclosure under Regulation 30 (4) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015

Dear Sir,

Enclosed please find an intimation in regard to the discontinuation of the Joint Venture arrangement with DXC Technology.

This is for your information and records.

Thanking you,

Yours faithfully,
for **HCL Technologies Limited**



Manish Anand
Company Secretary

Encl. a/a

Disclosure Note

HCL Technologies Limited (HCL) had entered into a joint venture agreement with DXC Technology (DXC) in July 2015. In terms of the JV agreement, two joint venture entities namely, CeleritiFinTech Limited (CFT) and CeleritiFinTech Services Limited (CFTS) were formed. In CFT which was responsible for sales, marketing and account management of Core Banking Products, HCL held 51% stake while DXC held the balance 49%, CFT. In CFTS which was responsible for Service Delivery of core banking products, HCL had 49% stake while DXC had 51% stake.

With a view to better leverage the capabilities of HCL and DXC, on September 30, 2017, HCL and DXC decided to discontinue the joint venture arrangement and instead a new arrangement (IP Partnership) has been entered into whereby HCL will be responsible for product development & modernisation, maintenance and professional services of Core Banking Products while DXC will be primarily responsible for sales, marketing and client relationship.

For the financial year ended on 31st March 2017, CFT (the results of which entity were being consolidated with that of the Company), had revenues of \$ 57.7million and net loss of \$ 40K. In respect of CFTS, the Company has done equity pick up of \$ 0.3 million for the year ending 31st March, 2017.

HCL had invested aggregate \$ 11 Million in Joint Venture companies and had pending commitment for further investment of \$ 46 Million. With discontinuation of JV arrangement, HCL would no longer be required to make the balance investment of \$ 46 Million. Also, accumulated cash after collection of all receivables and payment of all liabilities in Joint Venture entities will be equally distributed between HCL and DXC.

Under the new IP Partnership arrangement, HCL shall acquire the exclusive rights for 10 years for the Core Banking products (earlier with JV Companies) and pay \$ 50 Million out of which \$ 25 Million is payable now, \$ 12.5 Million is payable at the end of Year 3 and balance \$ 12.5 Million is payable on achievement of certain milestones after 3 years. Further, an amount of \$ 65 Million is payable at the end of Year 5 subject to achievement of certain milestones. On such payment, HCL will get perpetual rights for the Core Banking products and the Derivative IP Products.

