

# PARTNER TO THE 21<sup>ST</sup> CENTURY ENTERPRISE



ANNUAL REPORT 2015-16

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**BOARD OF DIRECTORS****MR. SHIV NADAR**

Chairman & Chief Strategy officer

**MS. ROSHNI NADAR MALHOTRA**

Non-Executive Director

**MR. SUDHINDAR KRISHAN KHANNA**

Non-Executive Director

**MR. AMAL GANGULI**

Non-Executive & Independent Director

**MR. KEKI MISTRY**

Non-Executive & Independent Director

**MR. RAMANATHAN SRINIVASAN**

Non-Executive & Independent Director

**MS. ROBIN ABRAMS**

Non-Executive & Independent Director

**MR. SUBRAMANIAN MADHAVAN**

Non-Executive & Independent Director

**DR. SOSALE SHANKARA SASTRY**

Non-Executive & Independent Director

**MR. THOMAS SIEBER**

Non-Executive & Independent Director

**MR. MANISH ANAND**

Company Secretary

**Auditors****M/s. S.R. Batliboi & Co. LLP**

Chartered Accountants

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**Bankers****Citibank N.A.**

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Gurgaon – 122002

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Corp. Office – DLF Square

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**Bank of America N.A.**

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## MANAGEMENT DISCUSSION AND ANALYSIS

Investors are cautioned that this discussion contains forward-looking statements that involve risks and uncertainties. When words like 'anticipate,' 'believe,' 'estimate,' 'intend,' 'will,' 'expect' and other similar expressions are used in this discussion, they relate to the Company or its business and are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or other factors. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading 'Risk and Concerns' as well as factors discussed elsewhere in this report. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as of their dates. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein, and the notes thereto.

### Annual Report - MD&A

#### Current State of IT Industry

The future of technology is undergoing a significant change driven by movements in demand and supply equations, technology trends, socio-economic and geopolitical factors. While the demand-supply equation is being impacted by trends like vendor consolidation, the business environment is being influenced by the forces of oil price fluctuations and volatility in currency & financial markets. These forces are creating an impact on GNIs and GDPs of nations as well as incomes and finances of businesses. The new technology trends and their potential of directly impacting business are also changing the buyer behavior making it business-centric. In addition to the IT leaders in an organization, the buying decisions are now being strongly influenced by the business leaders, as they realize the direct impact of technologies like digital, analytics and automation on their organizations.

As per NASSCOM, 80% of the incremental expenditures over the next 10 years will be driven by Digital Technologies such as platforms, cloud-based applications, big data analytics, mobile and social media along with services required to integrate these technologies with legacy technologies. In addition, with continuous investments in new technologies, analytics services, engineering, integrated services and automation are emerging as the largest drivers of growth. As per Gartner, the IT industry will grow at an overall rate of 3.1% in 2016.

#### Drivers of Future Growth:

Business-driven technology spending is growing at a faster rate than traditional spending, driving opportunity in new markets of Digitalization, Next Generation IT Outsourcing and IoT:

- Digitalization is emerging and impacting business model transformation as customers look to reinvent themselves. Customers are focusing on investments in front-to-back office transformation, end-to-end software and technology platform implementation for digitalization and digital operations.
- Traditional outsourcing is moving towards next-generation IT outsourcing, where the focus is on integrated services delivery,

automation, artificial intelligence and cloud. The effects of digitization and automation have penetrated all key service areas, converting from effort-based SLAs to outcome-based models, giving rise to multi-modal IT.

- IoT & Engineering platforms are driving market opportunity around business transformation, becoming strategic in nature and entailing end-to-end play.

We are witnessing contours of disruption as the above factors play out. The average lifespan of a company listed in the S&P 500 index has decreased by more than 40 years in the last century. A 61-year tenure for a firm in 1958 had narrowed to 25 years by 1980, and to 18 years now. At the current churn rate, 75% of the S&P 500 companies will be replaced by 2027. On the other side, the number of companies valued at \$1 billion or more in the past decade have increased substantially. At HCL Technologies, the companies which will survive and thrive in this churn are called, 21<sup>st</sup> Century Enterprises. These successful companies will be:

- **Experience-centric:** Strive to offer a unified experience
- **Service-Centric:** Overhaul their operating model to focus on customer satisfaction
- **Agile and Lean:** "Optimize" their operations for fast-paced manoeuvres
- **Ecosystem-driven:** Collaborate to extend the ecosystem beyond the enterprise
- **Outcome-based:** Deliver outcomes which cut across value chains

#### BEYONDigital™ by HCL

A 21<sup>st</sup> Century Enterprise creates user-centric business models for consumers, partners and employees that drive an engaged experience through empathy, simplicity and value. HCL's BEYONDigital service offering helps clients in this journey by transforming business operations into an engaged experience through design and technology intervention. This is enabled through multi-disciplinary agile teams that combine business and design thinking in a "DISCOVER, DESIGN and DO" process that leverages HCL's long history of engineering excellence and globally optimized operations.

BEYONDigital offers a blend of:

- a) Disruptive design thinking manifested through eight global "Xperience Labs"
- b) HCL's strong digital "build" heritage, as the world's largest outsourced engineering services provider
- c) Digital "run" capabilities drawing on HCL's infrastructure services leadership

BEYONDigital designs, builds and runs the 21<sup>st</sup> Century Enterprise by transforming business process experiences, orchestrating platforms, building intuitive smart applications and continuously innovating to deliver a united-experience and business value for enterprises. BEYONDigital is backed by HCL's grass roots innovation

culture of Ideaprenurship™, which ensures continuous innovation to overcome the diminishing half-life of customer delight. BEYONDigital also comes with HCL's promise of taking its Relationships Beyond The Contract™ in order to ensure sustainable advantage in an uncertain environment.

HCL's Digital Transformation Partnership with **Manchester United football club of U.K.** is uniquely positioned to create value for organizations across the world. HCL's approach to the digital transformation journey of Manchester United will be through continuous experimentation and co-innovation. Thus, while this partnership will deliver a world-class mobile app and website featuring Digital Asset Management, a Single Sign-on Experience and an integrated Content Management System for 659 million fans of Manchester United worldwide, the true benefit will be the proof-of-concepts and intellectual property that will be created by the HCL-Manchester United innovation lab, which can be adopted by organizations around the world. The initiative, with its focus on collaboration and co-innovation, is emblematic of the *21<sup>st</sup> Century Enterprise*, in which technology is transforming business into a team sport.

### Recognitions

- HCL has been positioned as a "Leader" in IDC's 2015 MarketScape Vendor Assessment for Worldwide Application Modernization Services for :
  - Digital Transformation
  - Oracle Upgrades
  - SAP Upgrades
- HCL has been positioned as a "Major Player" in IDC's 2015 MarketScape Vendor Assessment for Worldwide Digital Transformation Consulting and Systems Integration Services.

### "IoT WORKS" by HCL

IoT WORKS by HCL, the Internet of Things (IoT) services unit of HCL Technologies, allows organizations to adopt IoT functioning in their business context, creating entirely new services that deliver an enhanced experience and measurable business outcomes. These experiences will have an increasing role in differentiating enterprises and positioning them for the 21<sup>st</sup> century.

IoT WORKS looks beyond smart machines and devices and helps businesses understand how the ecosystem of connected networks can help them generate value for their customers. HCL has developed end-to-end IoT offerings for organizations at different IoT maturity levels. It has three phases - Define, Build and Run - which help customers plan their IoT program, develop their IoT system and manage 100% uptime of their system. Nearly 40 years of complex engineering experience enables HCL to provide customized IoT solutions across all major verticals. HCL believes in delivering IoT solutions that truly work.

Backed by the innovation culture of Ideaprenurship™ along with a commitment of taking its Relationships Beyond the Contract, IoT WORKS offers scalable and agile solutions through co - innovation to 21<sup>st</sup> Century Enterprises.

### Next-Generation Information Technology Outsourcing

Next-Gen ITO, another key HCL service offering, creates unified experiences for partners through services delivery, leveraging cloud, automation and artificial intelligence. The framework eliminates IT

and business waste, reducing cost and driving transformative initiatives across the organization. HCL continues to gain scale through Next-Gen ITO offerings and DryICE, its third generation automation framework, which builds on the mature levels of HCL's mTaaS and myCloud offerings and integrates across service lines - applications services, infrastructure services and business services.

The Next-Gen Target Operating Model offers a significant change in operating design, with integrated agile teams focusing on both IT as well as business KPIs. People-centric delivery takes a back seat as Next-Gen ITO equips clients with cognitive, predictive and self-healing abilities through autonomies and a context-aware operations control room. Service-enabled enterprise and self-funded transformation replaces the traditional input-based commercial model. Additionally, the model integrates a top-down business process view, with the underlying applications and infrastructure service lines managed as one unified service management organization.

With a strong presence in the infrastructure domain and core applications, Next-Gen ITO aims to provide visibility, integration and automation to enable an organization to become a 21<sup>st</sup> Century Enterprise.

### Infrastructure Management Services (IMS)

IMS manages mission-critical IT environments for some of the largest and most forward looking organizations in the world, including more than 20 Fortune 100 companies. With differentiated and well defined value propositions, best-in-class Infrastructure Management services and pioneering Automation solutions, IMS continues to retain its market leadership position in this space. HCL is widely recognized by the analyst community as a leading service provider and innovator in IT Infrastructure Management Services.

HCL recently introduced the Next-Generation ITO framework to enable 21<sup>st</sup> Century Enterprises operate with agility, run lean operations, and focus on customer experience - all critical success factors in today's fast moving markets. With Digitalization and Internet-of-Things driving customer investment and playing critical roles in business success in the 21<sup>st</sup> century - the Next Generation ITO enables "Multi-modal I.T." to support these new initiatives while running lean operations.

Powering the Next Gen ITO framework are 21<sup>st</sup> Century Blueprints for Datacenter & Cloud, Workplace (Services and Networks which apply proven transformation levers across the entire I.T. infrastructure stack to maximize benefits of a secure Enterprise Cloud, create a modernized workplace that transforms employee productivity, enable internet-optimized highly-available networks and power lean and agile operations through DryICE, HCL's Autonomics and Orchestration platform.

Key IT Infrastructure service offerings which enable the Next Generation ITO include:

- **Next-Generation DataCenter and Cloud Services:** Powered by the 21CE Blueprint for Datacenter and Cloud, these services enable transformation and operations of Datacenters for delivery of customer facing and within-company applications and services. The 21CE Blueprint for the DataCenter is focused on "Business Outcomes"; and is cloud and automation centric at the core. HCL supports the entire lifecycle from DC transformation to modern datacenters by enabling Hybrid Cloud and Hyper converged Infrastructure; and running agile and lean DC operations through application of advanced autonomies

and service orchestration. HCL continues to invest in building industry-leading, differentiated tools for optimized cloud enablement, such as ElasticOps for Automated Hybrid Cloud Operations, HCL CART (Cloud Assessment Tool), CCC(Cloud Command Centre - a specialized cloud migration, deployment and operations center), and HCL MyCloud Portal for cloud aggregation and end user enablement and management.

- **Next Generation Workplace Services:** Powered by the 21CE Blueprint for Workplace, these services equip organizations to enable a modern workplace through a whole gamut of End-user Computing services which focus on User Experience, User Empowerment, Secure productive-on-the-go and Lean Operations. With DryICE powered Automation enabling Self-Help and Self-Healing to empower users and MyWorkplace ensuring secure information, application and data access from any device and any location, HCL enables a workplace that is Gen-Y ready. HCL's workplace services include user profiling and enablement, service desk and global field support, remote/branch site optimization, hybrid messaging, social and collaboration services, enterprise mobile enablement, managed print services, virtualization and desktop as a service, client application management services, and operating system (Windows 7/8, iOS, Android) migration.
- **Next Generation Network Services:** Powered by the 21CE Blueprint for Networks, these services enable a secure, agile, automated, efficient and optimized network for organizations. By supporting our customers' transformation to Software Defined Networks (SDN) and Network Function Virtualization (NFV), HCL helps deploy secure, fast and programmable networks which can scale and transform as per changing business needs. These include lifecycle management services that span strategy, transformation and operations, and cover strategy definition, audit services, risk assessment and mitigation planning, policy definition and implementation, unified communication services, software defined networks, and network services brokerage.
- **DryICE Autonomics and Orchestration:** While DryICE is not offered as an individual service; it forms the Automation and Orchestration backbone for most of our 21CE Blueprint powered services. With more than 25 integrated modules featuring latest Autonomics technologies such as Machine Learning, Natural Language Processing, Predictive Analytics and Artificial Intelligence, DryICE enables DataCenters to be agile and efficient, employees and service desk agents to be more productive and tackle higher order tasks and Networks to be self-healing and optimized. With Service Orchestration built in, actions can be triggered across complex processes and ecosystems to ensure that businesses react swiftly to changing conditions.
- **Information Security and GRC Services:** These services include systems security, end point security, application security, data and content security, identity and access management, network security and enterprise security assurance and governance risk/compliance. HCL offers a strategy of holistic security to create a digital fortress for next gen digital enterprises. This strategy covers defense/protection, security intelligence, identity and access, and continuous compliance using HCL's BRiCS (Business Risk Intelligence and Compliance Solution) Framework.
- **Enterprise Platform Services:** These services include the modernization of application platform infrastructure across application servers, middleware, and data platforms, by adopting pattern-driven workload engineered systems and creating enterprise-grade PaaS (Platform as a Service) to be delivered across a hybrid cloud which leverages development operations and elastic infrastructure.
- **Business Services Management:** This includes the modernization of the management fabric for next-gen hybrid enterprises, covering unified monitoring, I.T. automation, I.T. operations analytics, and unified reporting. HCL offers its proven frameworks, such as MTaaS™ (Management Tools as a Service), MyCloud, AUTOPS (Automated Operations), and ITOPS (Analytics-based I.T. Operations) delivered as a hybrid SaaS (Software as a Service)-based platform, thus enabling rapid value optimization.
- **Service Integration and Management (SIAM):** This includes the modernized orchestration of multiple service providers, cloud services, and outsourcing services across a common process-driven service integration platform, powered by HCL's GBPS (Gold Blue PrintSolution). The solution enables a customer to have a unified Enterprise Service Integration experience across applications, infrastructure and the cloud. HCL's SIAM model balances the demand and supply of service bandwidth to service consumers. HCL helps customers assess the right SIAM model, design and build the function using HCL's solution accelerators, and implement and integrate the services of multiple service providers.
- **Integrated Operations Services across Enterprise and Digital:** HCL's integrated operations service capability brings web-scale IT architecture into an enterprise. The HCL service offering combines several components including an agile development operations oriented support framework, a highly elastic and self-healing infrastructure, high levels of automation, eSecurity practices and an end-to-end performance management solution. This service offering is designed for the end-to-end IT operations of the digital side of large Global 2000 enterprises.
- **Technology Transformation Services:** These cover the entire range of technology infrastructure offerings. HCL has successfully delivered over 580 complex I.T. infrastructure, architecture and operations transformations, and is increasingly acknowledged and recognized by Fortune 100, Fortune 500 and Global 2000 companies as a credible alternative to top tier global MNCs.

HCL provides infrastructure management services to customers through a robust delivery network of service centers across the globe. HCL's infrastructure operations include standardized management of over 6 million globally distributed I.T. assets and devices and over 20 million helpdesk contacts that support the needs of over 1.7 million business users in over 26 languages.

#### Recognitions:

- HCL has been positioned as a "Leader" in the 2015 Gartner Magic Quadrant\*for Data Center Outsourcing and Infrastructure Utility Services in North America.
- HCL has been positioned as a "Leader" in the 2015 Gartner Magic Quadrant\* for End User Outsourcing Services in North America.

- HCL has been rated as a "Leader" in the 2015 Forrester Wave™ for Global Workplace Services, North American Workplace Services, and EMEA Workplace Services.
- HCL has been selected as the winner of the CA Technologies 2015 Partner of the Year Awards in the category of innovation and sales teaming, for its ability to drive global innovation and sales teaming in both infrastructure management and service management.

### **Engineering and R&D Services**

HCL's Engineering and R&D Services (ERS) is the largest Indian Engineering Service Provider (ESP) and works with some of the most innovative and successful organizations in the world. With over two decades of experience of operating under complex multi-vendor environments and customer value chains, it is able to seamlessly integrate with customers' existing R&D activities.

HCL offers comprehensive engineering services and solutions in hardware, embedded, digital, mechanical and software product and platform engineering. It works with industry leaders across verticals such as aerospace and defense, automotive, consumer electronics, industrial manufacturing, medical devices, telecom and networking, office automation, semiconductor, server and storage, and software products. It successfully collaborates with other innovation partners, universities, industry bodies, and manufacturing partners.

Over the past decade, HCL's engineering services have helped more than 300 organizations develop and launch market-leading products and services across various market segments, which has delivered more than \$50 billion in revenues for its customers. Today, it works with more than 50 of the top 100 R&D spenders in the globe. Empowered by a deep engineering heritage, out-of-the-box thinking, and a solid foundation of talent, processes, systems, frameworks, and tools, this group is a preferred engineering partner for global companies with its ability to drive significant business impact and value through accelerated product launches, improved engineering efficiencies, and adoption of new and disruptive technologies.

Thought leadership has become one of the key differentiators as the industry moves up the value chain. The company's engineering services offerings are committed to creation of thought leadership in areas such as the Internet of Things, digital platforms, product intelligence, big data analytics, social media, medical devices, gesture technology, and more. HCL encourages bold thinking and disruptive approach that is needed to help customers outperform in a rapidly changing digital economy.

HCL is constantly pushing the boundaries of technology and defining new and differentiated ways of offering industrialized engineering services. One such area is the suite of solutions which packages HCL's best practices, intellectual property and accelerated frameworks into service offerings that solve highly critical business problems for customers.

HCL's solutions cater to engineering needs across a company's product development lifecycle and help customers address the challenges of accelerated product development, improve price-to-benefit ratio, and adapt to new technologies. HCL is heavily investing in developing solutions that can help clients quickly impact the overall product ecosystem.

HCL has continued to showcase its leadership in terms of service capabilities and scale of operations over a wide spectrum of

industries. HCL is recognized as a leader by analyst firms in diverse domains, including automotive, consumer electronics, computer peripherals and storage, independent software vendor (ISV), consumer software, medical devices, semiconductor, cloud computing, enterprise mobility, and aerospace and defense R&D. HCL's investments in Engineering Labs (environmental compliance, certification, and benchmarking) and Centers of Excellence (in niche areas such as industrial design, high performance computing, automation, etc.) have resulted in a complete ecosystem of comprehensive engineering services from concept to go-to-market for customer products and platforms across domains. Platforms need engineering rigor for development and HCL ERS has created a robust digital platform engineering business. ERS has a strong innovation culture, resulting in IP and strategic innovations, while leveraging alliances, start-ups and key academic research for co-creation with customers.

### **Recognitions:**

- HCL has been ranked as a "Leader" in Global R&D Services by Zinnov in its "Global Service Providers Ratings, 2014".
- HCL Technologies has been positioned in the "Winner's Circle" for its Software Product Engineering services capabilities by HfS in its report "Blueprint Report on ISV Engineering Services".
- HCL has been recognized as an "Outstanding Contributor" to the VLSI/Embedded Design Industry in the Corporate Category, by Mentor Graphics Corporation and Silicon India, at the Leadership Awards 2015. The awards recognize the unparalleled contribution of various companies/individuals in driving the semiconductor industry.
- HCL has been ranked #1 among Indian ESPs and #4 globally in terms of revenues by HfS in its report "HfS Engineering Services Top 20".

### **Applications Services**

The applications services market today is undergoing a massive transformation with a continual shift from systems of record to systems of innovation. Overall spend on traditional services has become stagnant, while growth is taking place in new technologies like cloud, applications modernization, analytics, Internet of Things and digitalization. HCL's Applications Services provides customers with integrated transformational services for their applications portfolio. These include complex application development and management, systems integration and end-to-end horizontal capabilities in various categories, offering customers transformational value in the new world of enterprise applications.

HCL's engagements are diverse and comprehensive, and provide customers with solutions that meet business challenges across a number of industries. The solutions support the needs of enterprises in an increasingly digital world, from delivering data-driven insights, enabling migration to cloud platforms, to harnessing the power of digitalization to drive business growth.

With HCL, customers get a fresh perspective and distinct end-to-end capabilities. While traditional systems integration services remain critical, with the shifting applications landscape, clients are now seeking partners that can also help them take advantage of emerging technologies and simplify their IT operations, while simultaneously reducing costs and investing in business growth.

HCL has a strong partner network and works with leading technology providers to deliver best-in-class solutions. Each business horizontal

also works with niche partners to develop solutions in specialized technology areas such as business analytics or digital services.

HCL recognizes the importance of investing in and developing strong intellectual property and offerings in new and emerging technology areas. In the Oracle space, HCL is working to further develop a go-to-market cloud strategy, in alignment with Oracle's cloud transformation.

HCL has made a significant investment in its 360-degree relationship with Microsoft with the acquisition of US-based PowerObjects, a leading North American provider of Microsoft Dynamics CRM. The acquisition enables HCL to take advantage of the fast-growing CRM market and supports its shift towards cloud and digital business, while aligning HCL's growth strategy with Microsoft's cloud-first, mobile-first vision. HCL's capability spans the Microsoft stack, with integrated transformational solution offerings for clients building off the Azure and Dynamics AX and CRM platforms.

Across all platforms, HCL offers robust application modernization skills, including portfolio modernization and a cloud migration framework, as well as application support and maintenance, to address the changing services market and the increasing need for automated ASM. In analytics, HCL offers numerous propositions aligned with today's changing market trends, the key ones being comprehensive Big Data Lake framework and Data Quality as a Service proposition which provides customers a 360-degree view of enterprise data quality. HCL has also developed 'IllumInfo' in the E-Services horizontal, a powerful search and analytics tool that uncovers actionable insights from massive digital content sourced from within and outside the organization. These propositions, among many others, form the foundation for HCL's applications services offerings to address client needs in today's rapidly-changing, digitally-focused market.

HCL is well integrated within the partner sales and solutions ecosystem for joint account planning, co-development, and go - to - market efforts. HCL conducts and participates in partner sales meetings, conferences, and partner days on a regular basis, including participation in field sales events.

#### **Recognitions:**

- HCL has been positioned as a "Leader" in the Gartner Magic Quadrant\* for SAP Implementation Services, Worldwide.
- HCL rated as "Leader" in IDC Marketscape: Worldwide Application Modernization Services for SAP Upgrades.
- HCL has been rated as a "Leader" in IDC Marketscape: Worldwide Application Modernization Services for Oracle Upgrades.
- HCL has been rated as "High Performer" at HfS Blueprint: Successfactors Services, 2016.
- HCL has been positioned as a "Leader" in IDC MarketScape for Worldwide Application Modernization Services for Digital Transformation, 2015 Vendor Assessment.
- HCL has been positioned as a "Leader" in IDC MarketScape for Worldwide Microsoft Enterprise Applications Implementation Services, 2015.

#### **Business Services**

HCL's Business Services provides Next Generation Business Process Outsourcing services to more than 100 clients across

industries. BPO services enable clients to improve organizational processes, reduce costs and create economies of scale.

HCL Business Services offers customized service offerings that translate into flexible and cost effective services of the highest quality for customers. These are uniquely positioned to service customer requirements by leveraging quality processes and innovation, talented employees, self-sustaining process framework and domain knowledge. In many large outsourcing deals, BPO is an integral part of the total services outsourced. Integrating BPO services into HCL's portfolio of service offerings has provided a strong competitive advantage over other stand-alone IT services providers.

With state-of-the-art delivery centers across India, USA, Europe, Ireland, UK, Latin America and Philippines, HCL leverages its IGDM (Integrated Global Delivery Model) to provide customers with best-in-class services.

HCL is committed to innovation and the creation of business value by providing domain oriented, transformation led BPO solutions and services to Fortune 500/Global 2000 customers.

Business Services' key strengths are:

- Domain specialization
- Platform Standardization
- Robotics Process Automation
- Innovation and improvement focus
- Business outcome / flexible commercial constructs
- Integrated global delivery model

HCL's BPO services span across banking and capital markets, insurance, life sciences and healthcare, telecom, media, publishing & entertainment, utilities, hi-tech and manufacturing, retail & consumer packaged goods and travel, transportation & logistics.

HCL's solutions across these industries include:

- Front office solutions across customer management services and document management
- Middle office solutions across respective industries
- Back office solutions across FAO, SCM, Procurement
- KPO/Analytics

Building on its Next Generation BPO tenets, HCL has launched EFaaS™ (Enterprise Functions as a Service) - an on-cloud solution for organizations looking to reduce their cost of enterprise functions. By re-engineering business processes, the standardization of application platforms, and creation of shared service centers, HCL's EFaaS™ holistically transforms the clients' enterprise functions while significantly reducing the total cost of operations.

HCL's BPO has been positioned as star performer for various service lines by many leading analyst firms. With extensive global experience and footprint, HCL is one of the leading BPO providers today.

#### **Recognitions:**

- HCL is recognized as Star Performer and Major Contender in Healthcare Payer BPO in Everest Group's report "Healthcare Payer BPO - Service Provider Landscape with PEAK Matrix™ Assessment".
- HCL is recognized as Star Performer and Major Contender in



Banking BPO in Everest Group's report "Banking BPO - Service Provider Landscape with PEAK Matrix™ Assessment 2015".

- HCL is recognized as Star Performer and Major Contender in Capital Markets BPO in Everest Group's report "Capital Markets BPO Service Provider Landscape with PEAK Matrix™ Assessment 2015".
- HCL is recognized as Star Performer and Major Contender in Multi-Process HRO BPO in Everest Group's report "Multi-Process Human Resources Outsourcing (MPHRO) Service Provider Profile Compendium 2015".

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## **HCL Foundation**

HCL Foundation is the corporate social responsibility arm of HCL Technologies, established as a not-for-profit trust. The efforts are targeted towards achieving holistic community development in urban slums, and to build model villages, in partnership with central and state governments, communities, NGOs, knowledge institutions and allied partners. The Foundation implements all community development programs under the umbrella name 'Project Samuday'.

**Enabling the rise of the Fifth Estate:** HCL Grant is created to support the institutionalization of the Fifth Estate (NGOs) through the creation of strong governance frameworks and management capabilities. The Grant envisions to build sustainable communities by supporting NGOs and individuals who are doing path-breaking work towards high impact transformation in India.

**'Power of One'** is the corporate-level structured volunteering and payroll-giving program that enables employees to spend a day, every week or month or year or even one hour every day for community service. HCLites share their dreams for a better society through the 'Power of One Dream', while HCL Foundation and Community Champions enable employees to realize their dreams into implementable projects and activities through humanitarian and developmental programs. 40,000 + HCLites contribute Re 1/day under the program.

## **Risks and Concerns**

### **1. Treasury Related Risks**

#### **Risk**

The global financial position continues to remain volatile with wide currency swings in both directions impacting the IT industry. High volatility is likely to continue in the medium term with added complexity of cross-currency movements.

#### **HCL Strategy**

As a risk containment strategy, HCL has taken hedges to protect its receivables and forecasted revenues against foreign currency fluctuations. This strategy ensures certainty in revenue collection and also safeguards against any unfavourable movement. The treasury department of the Company continues

to track the foreign exchange movements and underlying currency exposures.

Further, there is an increased focus on Europe, Asia Pacific and Rest of the World for generating business which not only insulates from dependency on a single chosen economy but also ensures that the revenue streams are in multiple currencies thereby partially de-risking the currency.

### **2. Employee related Risks**

#### **Risk**

In the IT industry, the ability to execute projects, building and maintaining client partnerships and achieving forecasted operating and financial results are significantly influenced by the organization's ability to hire, train and retain highly skilled IT professionals. The market continues to be highly competitive in attracting and retaining IT professionals compounded by the changing constraints around talent mobility on account of regulatory requirements and evolving value propositions for the nature of talent required across different geographies.

#### **HCL Strategy**

HCL's culture of Ideapreneurship and management model of "Employee First, Customer Second" helps us build relationships beyond the contract with our clients - and our people. We continue to direct investments in enabling technology and career, performance, reward, learning and talent management practices that support retention of the right talent with the right skill, at the right place, right time and right cost by engaging employees to enhance their competency, commitment and contribution.

An enhanced focus on diversity in talent acquisition and fulfillment locally and industrialization of our workforce management practices in the global delivery centers that leads employees to enhance the autonomy, mastery and sense of purpose they demonstrate, mitigates the risks perceived in various geographies.

This strategy needs to be dynamic in nature as the elements that impact it vary, are volatile and can cause challenges in execution.

### **3. Regulatory Compliance Risk**

#### **Risk**

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

#### **HCL Strategy**

HCL has put in place a comprehensive 'global regulatory compliance framework' to track regulatory compliances globally and has defined owners for various compliance related activities relevant to each function within HCL. Detailed checklists are available with respective process owners to ensure compliance, wherever needed. In addition to this, quarterly compliance certificates are presented to the Board of Directors by respective functions responsible for such compliances, which are periodically audited by the internal audit team and by external law firms. The global compliance function helps in creating awareness around the regulatory framework and helps each

team focus on various local compliance - related aspects being faced by business entities in respective countries.

In addition, 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's compliance program is not only designed to avoid violation of laws and regulations, but also to protect the Company's reputation, employees, and customers. Program effectiveness is periodically audited by the legal team and also reviewed / audited by internal audit and reported to the audit committee.

#### 4. **Technology Related Risks**

##### **Risk**

HCL operates in an ever evolving and dynamic technology environment and therefore, it becomes important for the Company to continuously review and upgrade its technology, resources and processes to mitigate technology obsolescence.

##### **HCL Strategy**

The Company is not dependent on any single technology or platform. HCL has developed competencies in various technologies, platforms and operating environments and offers a wide range of technology options to clients to choose from, for their business needs.

HCL leadership ensures that the delivery teams of various Lines of Business (LoB) sustain industrialization of processes, frameworks, tools and upgrades technical training, in addition to synergising Transformational initiatives across the organization.

- The Delivery / Quality Assurance (QA) teams drive definition and implementation of new practices and frameworks for efficient and effective delivery of products and services. The Delivery Assurance function also ensures that the above are implemented consistently, in addition to reviewing the risks, and suggests appropriate mechanisms to address the same.
- HCL has structured Centers of Excellence (CoE) to conduct research and define methods, processes and tools.
- The Quality team drives continuous process improvements aligning with mature and evolving international process standards and certifications.
- The Tools team identifies appropriate tools, develops new tools and supports the tools deployed and also provides consulting and tools - related training to project teams.
- HCL designated teams, through New Business process, evaluate the technology and other risks related to new opportunities and recommends appropriate mechanisms to mitigate them on a regular basis.
- The Talent Development Group supports the Technical Training team (called TechCEED) which focuses on Competency Enhancement to continually upgrade the technical competency of the delivery teams and manages the Learning Management System.

In addition to the in-house training and development initiatives, the Company keeps itself abreast and updated on the contemporary developments in the technology landscape through participation in key technology forums and conferences.

This construct ensures a consistent and sustained focus on improving quality, productivity and predictability of delivery governed by six principles - standardization, lean process, tools and automation, creating a pool of skilled people, knowledge management and continuous improvement.

#### 5. **Competition Related Risks**

##### **Risk**

The focus of traditional IT services is moving towards business solutions and digital-business enablement. As companies recognize the critical role of technology as an enabler of business, the risk of expansion of global in-house IT centers of large enterprises as well as new entrants in the market also increases. Providers with new technologies such as digital, mobility, analytics, automation and cloud-enabled delivery models, as well as business consulting providers, are further adding to the competition. This is making it necessary for IT service providers to continuously innovate and adapt to the changing buying behavior of their customers.

##### **HCL Strategy**

HCL's strategy of focusing on growth, employee - driven innovation, customer satisfaction and unique positioning in the marketplace has further improved its competitive standing. As technology becomes the core of the business, HCL is focusing on specific areas to meet the changing business needs of 21<sup>st</sup> century enterprises.

HCL's BEYONDigital™ designs, builds and operates the 21<sup>st</sup> century enterprises by innovating, transforming business process experiences, orchestrating platforms, building intuitive smart applications and continuously innovating to deliver a united experience & business value for enterprises. IoT WORKS by HCL is the Internet of Things (IoT) Services unit of HCL Technologies. It allows organizations to experience IoT functioning in their business context, creating entirely new services that deliver measurable business outcomes. These experiences will have an increasing role in differentiating enterprises and positioning them for the 21<sup>st</sup> century. HCL's Next-Gen ITO offerings enable enterprises to create a lean and agile landscape by delivering integrated applications and infrastructure services, powered by HCL's strengths in automation, artificial intelligence and cloud services.

Further, an employee-driven innovation culture has enabled HCL to drive customer delight. HCL's unique organizational culture of Ideapreneurship has put employees at the forefront of innovation wherein they ideate and design solutions to solve customers' operational and business challenges.

#### 6. **Physical Security**

##### **Risk**

Risk to human life and assets due to high incidence of terror attacks continue to remain a major risk for companies. The impact would be more on service companies due to manpower intensive business model applicable to IT/ ITeS companies and greater time sensitivity of operations. While most countries are

investing in public protection and security by designing and deploying counter terrorism plans, many of these are designed using old and conventional paradigms, which might be effective though challenges remain if an attack occurs of an unconventional nature.

### **HCL Strategy**

- a. Security at HCL facilities is organized using a three tier physical security model based on an integrated security design, comprising of security infrastructure, surveillance and access control, supported by trained security manpower and mature security enhancement programs and procedures.
  - Our focus is on ensuring that the technology platforms enabling the physical security infrastructure are kept upgraded to enable automation of safety processes - and use a centralized database management that facilitates real time transactions related to access and surveillance. A unified employee identification badge is deployed in phases across the locations we operate to ensure staff access both during normal business operations and in case of a disaster scenario.
  - We ourselves conduct and also require all our external service partners to carry appropriate background verification of staff including third party workforce assigned to work at an HCL location. This is audited on a regular basis.
  - The deployment of trained canines for guarding & patrolling our location perimeters and engagement of specially trained security staff has enhanced security and has proved to be very effective in controlling intrusion and conflict management in the campus zone and is being extended as a norm in our key locations.
- b. Well-coordinated protective response to diverse security threats is assured by the established ERTs (Emergency Response Teams) who are responsible for the Facility Evacuation Plans to be executed and on a regular basis strengthen the Disaster Recovery and Business Continuity Plans (DR-BCP) we have for each Line of Business and location. This provides confidence that the risk to human life and assets is minimized / eliminated and provides a high degree of assurance towards continuity of operations with minimal disruption to our clients.
- c. Communication and coordination protocols are embedded in the Emergency Response Plans and we actively engage with local government authorities, such as police, anti-terrorist squad (ATS), Fire departments, hospitals and other first responders to be prepared to counter any threat.
- d. We continue to build and consolidate our facilities in our secure campuses to enhance our ability to withstand and recover from deliberate attacks, accidents, or naturally

occurring threats or incidents, thus, contributing to improved security and greater resilience.

## **7. Business Continuity risk**

### **Risk**

HCL is in the business of developing, maintaining, and operating mission-critical business and IT applications and infrastructure for various global customers in multiple industries. Due to the increase in natural calamities, man-made disruptions and geo-political events, business continuity has re-joined the ranks of top business risks and may impact the health and safety of its employees, reputation and revenue loss. HCL needs to continuously adapt and evolve its continuity planning and make it more sustainable by linking it to operational resiliency.

### **HCL Strategy**

HCL has revamped its Business Continuity Management (BCM) framework to ensure that it meets the Continuity and Recovery requirements for its employees, assets and business in the event of a disruption. HCL's BCM framework encompasses emergency response, crisis management, disaster recovery and business continuity through a crisis and its aftermath.

## **8. Information and Cyber Security Risk**

### **Risk**

As cyber security risks continue to increase, becoming more severe and widespread, globalized risk of compromise to confidentiality, integrity, and availability of HCL corporate and client data presents a risk to the success and sustenance of HCL.

### **HCL Strategy**

HCL has revamped its information security priorities with an increased emphasis on cyber security, audits of critical functions/ infrastructure and building awareness across the enterprise. In addition, HCL plans on certifying all delivery locations and revamping the data breach incident management process to have a robust and streamlined response plan to promote better response coordination and to shorten incident response time.

## **9. Privacy Risk**

### **Risk**

HCL's collection, use, and transfer of corporate and client information globally coupled with the dynamic and stringent privacy regulatory landscape presents an increased risk of non-compliance with privacy related laws as well as damage to brand reputation and HCL's relationship with its customers.

### **HCL Strategy**

HCL is creating an enterprise wide Privacy Framework which includes governance, policies & procedures, privacy impact assessment, and training. HCL's Privacy Framework reflects existing and emerging privacy and data protection principles, regulatory requirements and customer expectations. The

continued development of the Privacy Framework demonstrates HCL's commitment to protecting employee and client data.

**10. Internal Control Systems and their adequacy**

The company has put in place an adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance with regard to financial and operational information, complying with applicable statutes, safeguarding assets of the company and ensuring compliance with corporate policies.

The company has a dedicated Internal Audit team which is commensurate with the size, nature & complexity of operations of the company. Internal Audit reports functionally to the Audit Committee of the Board that reviews adequacy, coverage and performance of the internal audit function.

The company has a rigorous business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

**PERFORMANCE TREND**

**HCL Technologies Limited (HCL) is a leading Company in the IT / ITES space**, offering a full array of services to its customers. HCL is a leading provider of innovative customer specific solutions, backed by best-in-class processes.

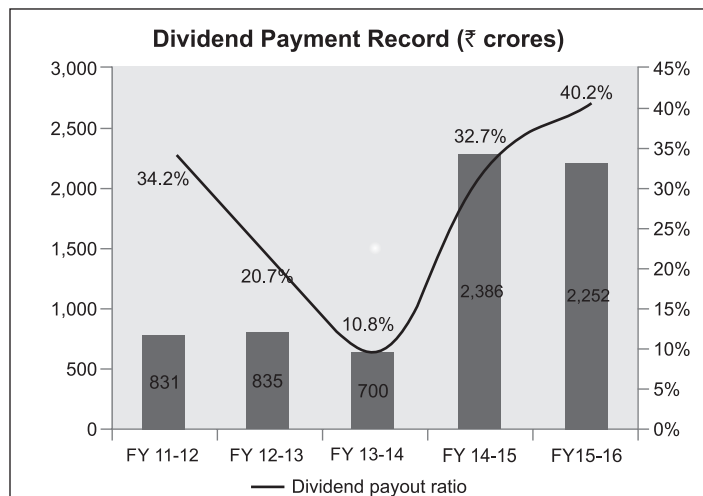
In its journey of business success and excellence, HCL has created significant wealth for all its stakeholders.

**Financial Year Change**

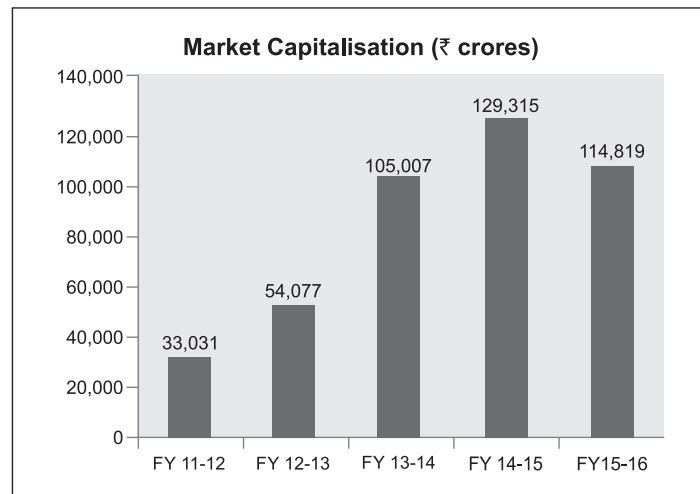
Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31<sup>st</sup> March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for nine months period from 1<sup>st</sup> July 2015 to 31<sup>st</sup> March 2016.

**VALUE ADDITION SINCE FISCAL 2011**

Dividend (excluding dividend distribution tax) and the payout ratio computed on consolidated profits have remained high. The amount of dividend (in absolute terms) has increased 3 times in the last five years. In fiscal 2016, the dividend payout ratio (excluding dividend distribution tax) was 40.2%

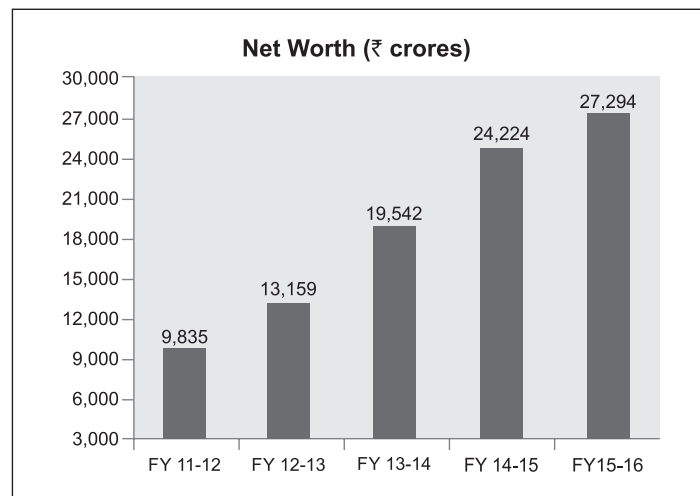


Market capitalization has increased from ₹ 33,031 crores in fiscal 2012 to ₹ 114,819 crores in fiscal 2016.

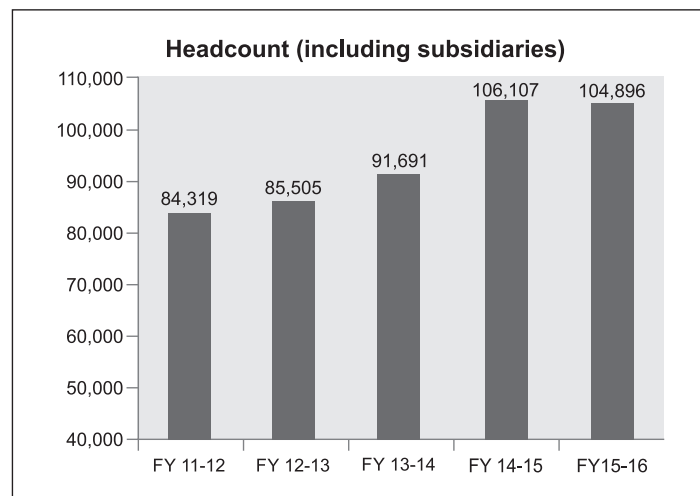


\*Market Capitalization based on market rate as on last date of the respective financial year.

The net worth of the Company has increased more than 2.75 times in last 5 years. In fiscal 2016, the net worth of the Company stood at ₹ 27,294 crores.



Headcount (including subsidiaries) has expanded from 84,319 in fiscal 2012 to 104,896 in fiscal 2016.



## FINANCIAL PERFORMANCE

The financial results of HCL under Indian GAAP are discussed below in two parts.

- Consolidated results of HCL and its subsidiaries, which includes the performance of its subsidiaries, joint ventures and associates. Preparation and presentation of such consolidated financial statements depicts comprehensively the performance of the HCL group of companies and is more relevant for understanding the overall performance of HCL.
- Standalone results of HCL, which excludes the performance of its subsidiaries, joint ventures and associates.

### Previous Year Comparatives

The current financial year of the Group is for a nine months period from 1<sup>st</sup> July 2015 to 31<sup>st</sup> March 2016. The figures for the current financial year are therefore not comparable with those of the previous year.

### 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, joint ventures and associates referred to as "the Group". The discussion should be read in conjunction with the financial statements and related notes to the consolidated accounts of HCL for the year ended 31 March 2016.

### Results of Operations (Consolidated):

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Revenue from Operations	30,781	100.0	36,701	100.0
<b>Total Revenue from Operations</b>	<b>30,781</b>	<b>100.0</b>	<b>36,701</b>	<b>100.0</b>
Purchase of traded goods	813	2.6	1,306	3.6
Change in inventories of traded goods	(109)	(0.4)	(35)	(0.1)
Employee benefit expense	15,093	49.0	17,726	48.3
Other expenses	8,443	27.4	9,231	25.2
Depreciation and amortization expense	393	1.3	404	1.1
<b>Total Expenditure</b>	<b>24,633</b>	<b>79.9</b>	<b>28,632</b>	<b>78.1</b>
<b>Profit before Finance cost ,Other Income &amp; Tax</b>	<b>6,148</b>	<b>20.1</b>	<b>8,069</b>	<b>21.9</b>
Finance costs	74	0.2	91	0.2
Other income	895	2.9	1,139	3.1
<b>Profit before tax</b>	<b>6,969</b>	<b>22.8</b>	<b>9,117</b>	<b>24.8</b>
Provision for tax	1,364	4.4	1,815	4.9
Share of profit of associates	56	-	40	-
Minority interest	(18)	-	(25)	-
<b>Profit after tax</b>	<b>5,643</b>	<b>18.4</b>	<b>7,317</b>	<b>19.9</b>

### Revenues:-

The Group derives its revenue from three segments viz Software services, IT Infrastructure services and Business Process Outsourcing services.

Segment wise details are given below:

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Software services	18,234	59.2	22,179	60.4
IT Infrastructure services	11,074	36.0	12,825	34.9
Business Process Outsourcing services	1,473	4.8	1,697	4.7
<b>Total Revenue</b>	<b>30,781</b>		<b>36,701</b>	

**Geography wise breakup of revenues**

The Group also reviews its business on a geographic basis. The following table classifies total revenue by geographic areas:

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
US	17,925	58.2	20,140	54.9
Europe	8,212	26.7	10,065	27.4
India	957	3.1	1,457	4.0
Rest of the World	3,687	12.0	5,039	13.7
<b>Total Revenue</b>	<b>30,781</b>		<b>36,701</b>	

**Employee benefits expense:-**

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Salaries, wages and bonus	13,217	42.9	15,442	42.1
Contribution to provident fund and other employee funds	1,812	5.9	2,212	6.0
Staff welfare expenses	59	0.2	72	0.2
Employee stock compensation expense	5	0.0	-	-
<b>Total</b>	<b>15,093</b>	<b>49.0</b>	<b>17,726</b>	<b>48.3</b>

Employee benefits expense as a % of revenue has increased to 49.0% compared to 48.3% previous year. The increase is primarily on account of an increase in the average cost per employee due to normal salary revisions.

**Other expenses:-**

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Rent	285	0.9	388	1.1
Power & fuel	207	0.7	265	0.7
Travel and conveyance	1,243	4.0	1,677	4.6
Outsourcing cost	4,876	15.9	5,097	13.9
Communication costs	236	0.8	288	0.8
Recruitment training & development	137	0.4	204	0.6
Loss on sale of long term investment in joint venture	-	-	13	-
Others	1,459	4.7	1,299	3.5
<b>Total</b>	<b>8,443</b>	<b>27.4</b>	<b>9,231</b>	<b>25.2</b>

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

Other expenses (as referred in above table) as a % of revenue have increased to 27.4% compared to 25.2% previous year to meet the customers demand of higher value added services and hiring of high cost technical experts.

**Other Income**

The details of Other Income are as follows:

(₹ in Crores)

Particulars	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Interest income	649	814
Profit on sale of current investments	25	37
Exchange differences	65	73
Profit on sale of fixed assets	146	156
Provisions no longer required written back	-	40
Others	10	19
<b>Total</b>	<b>895</b>	<b>1,139</b>

Profit on sale of fixed assets of ₹ 146 crores (previous year ₹ 156 crores) includes gain of ₹ 143 crores (previous year ₹ 153 crores) on sale of certain properties at a gross consideration of ₹ 180 crores (previous year ₹ 180 crores).

**Exchange differences**

The Group derives over 97% of its revenues in foreign currencies and over 71% 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 31,2016	66.31	98.97	73.16	47.90
For the year ended June 30,2015	62.27	97.83	73.97	51.35
Depreciation/ (Appreciation) (%)	6.5%	1.2%	(1.1%)	(6.7%)
Period ended	USD	GBP	EURO	AUD
As at March 31,2016	66.27	95.53	75.36	51.00
As at June 30,2015	63.65	100.05	71.18	48.92
Depreciation/ (Appreciation) (%)	4.1%	(4.5%)	5.9%	4.2%

The Group uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year, the Group had an exchange gain of ₹ 65 crores (previous year ₹ 73 crores). These exchange differences are on account of forward covers being marked to market and the restatement of foreign currency assets and liabilities.

The Group follows cash flow hedge accounting in respect of forward covers and options to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on such forward covers, where a hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax), that are designated and effective as hedges of future cash flows as on the balance sheet date, are recognized directly in the hedging reserve account under 'Shareholders Funds'. The total unrealized exchange gain (net of tax) recognized in the hedging reserve account as at 31 March, 2016 is ₹ 8 crores (previous year loss of ₹ 41 crores).

**TAXATION**

Tax expense as a percentage of profit before tax has decreased from 19.9% in the previous year to 19.6% in fiscal 2016.

**FINANCIAL POSITION**
**Share capital:-**

The Company has an authorized share capital of ₹ 300 crores, divided into 1,500,000,000 equity shares of ₹ 2 each. During the year, employees exercised their options for 4402896 equity shares under the employee's stock option plan 2004. Accordingly, the issued, subscribed and paid up share capital increased by ₹ 0.88 crores taking the issued, subscribed and paid-up capital stood to ₹ 282.08 crores as at 31<sup>st</sup> March 2016.

**Reserve and Surplus:-**

Consolidated reserves and surplus of the Group stood at ₹ 27,012 crores as at 31 March 2016 (previous year ₹ 23,943 crores).

**Borrowings:-**

The Group had outstanding borrowings of ₹ 1,090 crores as at 31 March 2016 (previous year ₹ 648 crores). During the current year, a subsidiary in Sweden has taken a term loan of ₹ 675 crores from a bank at STIBOR+1.15%, repayable over twenty quarterly installments beginning from June' 2017.

**Fixed Assets:-**

The Group has capitalized ₹ 818 crores (excluding assets acquired on account of acquisitions consummated during the period) to Gross block of fixed assets during fiscal 2016, which mainly comprises computers, software, office equipments and investment in facilities.

During the year ₹ 1,293 crores has been capitalized (previous year nil) on account of acquisitions, which mainly comprises goodwill of ₹ 1,045 crores, computers of ₹ 178 crores and plant and machinery of ₹ 61 crores.

Gross block of fixed assets as at the end of fiscal 2016 stood at ₹ 14,149 crores and capital work - in- progress stood at ₹ 606 crores (previous year ₹ 12,343 crores and ₹ 552 crores respectively).

The Group has been developing facilities in its campuses at Noida, Bangalore and Chennai. 81,843 seats have already become operational at these campuses and 9,666 seats are under development.

**Treasury Investments:-**

The guiding principles of the Group's treasury investments are safety, liquidity and return. The Group has efficiently managed its surplus funds through careful treasury operations.

The Group deploys its surplus funds in fixed deposits with banks, and deposits with HDFC Limited and investments in debt mutual funds, with a limit on investments with any individual bank/fund.

**Breakup of treasury investments is given below:-**

(₹ in crores)		
Particulars	2016	2015
Debt Mutual Funds	535	763
Fixed Deposits with Banks	8,562	8,448
Deposits with HDFC Limited.	1,985	1,193
<b>Total</b>	<b>11,082</b>	<b>10,404</b>

**Current and non-current Liabilities:**

Current and non-current liabilities, excluding borrowings, increased by ₹ 216 crores (₹ 10,646 crores in fiscal 2015 to ₹ 10,862 crores in fiscal 2016); the increase is mainly on account of increase in liabilities for expense by ₹ 347 crores due to ₹ 126 crores payable to related party on account of future obligation to contribute towards equity interest in associates.

**Current and non-current Assets:**

Current assets, excluding fixed assets, deferred taxes, treasury & other investments and cash and bank balances increased by ₹ 2,051 crores (₹ 13,780 crores in fiscal 2015 to ₹ 15,830 crores in fiscal 2016); the increase is mainly on account of increase in trade receivables by ₹ 1,143 crores, prepaid expense by ₹ 179 crores and inventories by ₹ 107 crores.

**CASH FLOW**
**A summary of the cash flow statement is given below:**

(₹ in crores)		
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Cash and cash equivalents at the beginning of the year	1,339	1,027
Net cash generated from operating activities	3,796	5,539
Net cash flows used in investing activities	(2,154)	(2,013)
Net cash flows used in financing activities	(2,237)	(3,140)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(20)	(74)
Cash and cash equivalents at the end of the period	724	1,339



**Cash flow from operations**

(₹ in crores)

	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Operating profit before working capital changes	6,652	8,501
Effect of working capital changes	(1,456)	(1,188)
<b>Cash generated from operations</b>	<b>5,196</b>	<b>7,313</b>
Tax payments made	(1,400)	(1,774)
<b>Net cash generated from operating activities</b>	<b>3,796</b>	<b>5,539</b>

**Cash flow from investing activities**

(₹ in crores)

	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Purchase of fixed assets (net)	(723)	(1,201)
Sale/ (purchase) of investments	(540)	(682)
Investment in deposits (net) with banks	(114)	(668)
Payments for business acquisitions, net of cash acquired	(1,183)	-
Interest and dividend income	643	805
Taxes paid	(219)	(273)
Others	(18)	6
<b>Net cash used in investing activities</b>	<b>(2,154)</b>	<b>(2,013)</b>

In fiscal 2016 the Group used ₹ 2,154 crores for investing activities (₹ 2,013 crores in fiscal 2015). The significant items of investing activities were purchase of fixed assets, inter corporate deposits and investment in fixed deposits:-

- Fixed deposits with banks (net) of ₹114 crores have been invested in fiscal 2016 (₹ 668 crores in fiscal 2015).
- The Group used ₹ 723 crores for purchase of fixed assets in fiscal 2016 (₹1,201 crores in fiscal 2015).
- Interest on deposits and dividends on investment in mutual funds received in fiscal 2016 of ₹ 643 crores (₹ 805 crores in fiscal 2015).
- During the current fiscal, the Group has made several acquisitions to strengthen the Group's delivery capabilities and market offerings including acquisition of VOLVO IT division which strengthens the Group's delivery capabilities and market offerings in mainframe services and provides it with significant domain capabilities to serve the Company's global automotive and manufacturing customers. Acquisition of Powerteam enables the Group to take advantage of the rapidly-growing global CRM market.

The Group has made payment of ₹ 1,183 crores as purchase consideration for these acquisitions consummated during the current fiscal (for details refer note no 2 to consolidated financial statements).

**Cash flow from financing activities**

(₹ in crores)

	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Proceeds from issue of share capital	1	10
Repayment of 8.80% Secured redeemable non-convertible debentures	-	(500)
Dividend paid (including dividend distribution tax)	(2,697)	(2,824)
Proceeds from borrowings (net)	481	224
Interest paid	(8)	(23)
Principal payment for finance lease obligations	(14)	(27)
<b>Net cash used in financing activities</b>	<b>(2,237)</b>	<b>(3,140)</b>

In fiscal 2016 the Group used ₹ 2,237 crores in financing activities (₹ 3,140 crores in fiscal 2015). The significant items of financing activities are:-

- Payment of dividends including taxes of ₹ 2,697 crores (₹ 2,824 crores in fiscal 2015).
- Net increase in proceeds from borrowing mainly due to an unsecured long term loan of ₹ 675 crores taken from a bank by a subsidiary in Sweden in fiscal 2016.

**Standalone results**

**Standalone results of HCL, which excludes the performance of its subsidiaries, joint ventures and associates.**

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<sup>st</sup> March 2016.

**RESULTS OF OPERATIONS (STANDALONE)**

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Revenue from Operations	13,433	100.0	17,153	100.0
<b>Total Revenue from Operations</b>	<b>13,433</b>	<b>100.0</b>	<b>17,153</b>	<b>100.0</b>
Purchase of traded goods	163	1.2	364	2.1
Change in inventories of traded goods	(47)	(0.3)	(66)	(0.4)
Employee benefit expenses	4,854	36.1	5,924	34.6
Other expenses	3,339	24.9	4,071	23.8
Depreciation and amortization expense	279	2.1	300	1.7
<b>Total Expenditure</b>	<b>8,588</b>	<b>64.0</b>	<b>10,593</b>	<b>61.8</b>
<b>Profit before finance cost, other income &amp; tax</b>	<b>4,845</b>	<b>36.0</b>	<b>6,560</b>	<b>38.2</b>
Finance costs	46	0.3	60	0.4
Other income	969	7.2	1,199	7.1
<b>Profit before tax</b>	<b>5,768</b>	<b>42.9</b>	<b>7,699</b>	<b>44.9</b>
Provision for tax	1,034	7.7	1,353	7.9
<b>Profit for the year</b>	<b>4,734</b>	<b>35.2</b>	<b>6,346</b>	<b>37.0</b>

**FISCAL 2016 COMPARED TO FISCAL 2015**
**Revenues:-**

The Company derives its revenue from three segments viz Software services, IT Infrastructure services and Business Process Outsourcing services.

Segment wise details are given below:

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Software services	8,034	59.8	10,457	61.0
IT Infrastructure services	4,504	33.5	5,693	33.2
Business Process Outsourcing services	896	6.7	1,003	5.8
<b>Total Revenue</b>	<b>13,433</b>		<b>17,153</b>	

**Employee benefits expense:-**

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Salaries, wages and bonus	4,644	34.6	5,669	33.1
Contribution to provident fund and other funds	170	1.2	212	1.2
Staff welfare expenses	35	0.3	43	0.3
Employee stock compensation expense	5	0.0	-	-
<b>Total</b>	<b>4,854</b>	<b>36.1</b>	<b>5,924</b>	<b>34.6</b>

Employee benefits expense as a % of revenue has increased to 36.1% compared to 34.6% previous year. The increase is primarily on account of an increase in the average cost per employee due to normal salary revisions.

**Other expenses:-**

(₹ in Crores)

Particulars	Year ended			
	31 March 2016 (Nine months)	%	30 June 2015 (Twelve months)	%
Rent	113	0.8	212	1.2
Power & fuel	167	1.2	219	1.3
Travel and conveyance	621	4.6	797	4.6
Communication costs	95	0.7	113	0.8
Recruitment training & development	64	0.5	97	0.6
Outsourcing cost	1,643	12.3	1,966	11.5
Others	636	4.8	667	3.8
<b>Total</b>	<b>3,339</b>	<b>24.9</b>	<b>4,071</b>	<b>23.8</b>

Other expenses as a % of revenue have increased to 24.9% compared to 23.8% previous year. The increase is mainly on account of increase in outsourcing cost.

**Other Income**

The details of other income are as follows:-

(₹ in Crores)

Particulars	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Interest income	643	796
Dividend from subsidiary companies	62	78
Profit on sale of current investments	20	34
Profit on sale of fixed assets	140	97
Exchange differences	97	125
Provisions no longer required written back	-	48
Others	7	21
<b>Total</b>	<b>969</b>	<b>1,199</b>

Profit on sale of fixed assets of ₹ 140 crores (previous year ₹ 97 crores) includes gain of ₹ 138 crores (previous year ₹ 94 crores) on sale of certain properties at a gross consideration of ₹ 175 crores (previous year ₹ 108 crores).

**Exchange differences**

The Company derives almost its entire revenues in foreign currencies while almost all its costs are incurred in INR. This exposes the Company to the risk of adverse variations in foreign currency exchange rates. The Company uses foreign exchange forward contracts and options to mitigate the risk of movements in foreign exchange rates associated with receivables and forecast transactions in certain foreign currencies. During the current fiscal year, the Company had an exchange gain of ₹ 97 crores compared to ₹ 125 crores in the previous year. These exchange gains are on account of forward covers marked to market and restatement of foreign currency assets and liabilities.

The Company follows cash flow hedge accounting in respect of forward covers and options taken to hedge the foreign exchange risks related to the forecast revenues. Exchange gain (loss) arising on such forward covers, where a hedged transaction has occurred during the year, has been included under 'revenue' and changes in the fair value of derivatives (net of tax), that are designated and effective as hedges of future cash flows as on the balance sheet date, are recognized directly in the hedging reserve account under 'shareholders funds'. The total unrealized exchange gain (net of tax) recognized in the hedging reserve account as at 31 March, 2016 is ₹ 8 crores as compared to loss of ₹ 41 crores as at 30 June, 2015.

**Taxation:-**

Tax expense as a % of profit before tax was 17.9% for fiscal 2016 as compared to 17.6% in fiscal 2015.

**FINANCIAL POSITION**
**Borrowings:-**

The Company had outstanding borrowings of ₹ 42 crores as at 31 March 2016 (previous year ₹ 41 crores).

**Fixed Assets:-**

The Company has capitalized ₹ 324 crores (excluding assets acquired on account of acquisition consummated during the period) to the gross block of fixed assets during fiscal 2016, which mainly comprises, computers, software, office equipments and investment in facilities.

During the year ₹ 26 crores has been capitalized (previous year nil) on account of acquisition, which mainly comprises of goodwill ₹ 18 crores and computers of ₹ 7 crores.

Gross block of fixed assets as at the end of fiscal 2016 stood at ₹ 5,862 crores and capital work- in- progress stood at ₹ 582 crores (previous year ₹ 5,687 crores and ₹ 544 crores respectively).

**Treasury Investments:-**

The guiding principles for the Company's treasury investments are safety, liquidity and return. The Company has efficiently managed its surplus funds through careful treasury operations.

The Company deploys its surplus funds primarily in fixed deposits with banks, deposits with HDFC Limited and investments in debt mutual funds, with a limit on investments with any individual fund/bank.

**Breakup of treasury investments is given below:-**

(₹ in crores)

Particulars	2016	2015
Debt Mutual Funds	471	625
Fixed Deposits with Banks	8,538	8,397
Deposits with HDFC Limited.	1,985	1,193
<b>Total</b>	<b>10,994</b>	<b>10,215</b>

**CASH FLOWS**
**A summary of the cash flow statement is given below:**

(₹ in crores)

	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Cash and cash equivalents at the beginning of the year	433	241
Net cash generated from operating activities	3,157	5,335
Net cash flows used in investing activities	(773)	(1,763)
Net cash flows used in financing activities	(2,699)	(3,360)
Effect of exchange differences on cash and cash equivalents held in foreign currency	7	(20)
Cash and cash equivalents at the end of the period	125	433

**Cash flow from operations**

(₹ in crores)

	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Operating profit before working capital changes	5,238	6,970
Effect of working capital changes	(1,018)	(185)
<b>Cash generated from operations</b>	<b>4,220</b>	<b>6,785</b>
Tax payments made	(1,063)	(1,450)
<b>Net cash generated from operating activities</b>	<b>3,157</b>	<b>5,335</b>

**Cash flow from investing activities**

(₹ in crores)

	<b>31 March 2016 (Nine months)</b>	<b>30 June 2015 (Twelve months)</b>
Purchase of fixed assets (net)	(466)	(1,052)
Sale/ (purchase) of investments	(619)	(664)
Investments of deposits (net) with banks	(141)	(726)
Proceeds from redemption of preference shares	-	59
Payments for business acquisitions, net of cash acquired	(29)	-
Interest and dividend income	700	889
Taxes paid	(218)	(269)
<b>Net cash used in investing activities</b>	<b>(773)</b>	<b>(1,763)</b>

In fiscal 2016 the Company used ₹ 773 crores for investing activities (₹ 1,763 crores in fiscal 2015). The significant items of investing activities were purchase of fixed assets, inter corporate deposits and investment in fixed deposits:-

- Fixed deposits with banks (net) of ₹ 141 crores have been made in fiscal 2016 (₹ 726 crores in fiscal 2015).
- The Company used ₹ 466 crores for purchase of fixed assets during the year (₹ 1,052 crores in fiscal 2015).
- Interest on deposits and dividends from subsidiary company received in fiscal 2016 of ₹ 700 crores (₹ 889 crores in fiscal 2015).
- The Group has made payment of ₹ 29 crores as purchase consideration for acquisitions consummated during the current fiscal (for details refer notes to standalone financial statements).

**Cash flow from financing activities**

(₹ in crores)

	<b>31 March 2016 (Nine months)</b>	<b>30 June 2015 (Twelve months)</b>
Proceeds from issue of share capital	1	10
Repayment of 8.80% Secured redeemable non-convertible debentures	-	(500)
Dividend paid (including dividend distribution tax)	(2,697)	(2,824)
Repayment of borrowings (net)	1	(28)
Interest paid	(4)	(18)
<b>Net cash used in financing activities</b>	<b>(2,699)</b>	<b>(3,360)</b>

In fiscal 2016 the Company used ₹ 2,699 crores in financing activities (₹ 3,360 crores in fiscal 2015). The significant items of financing activities are:-

- Payment of dividends including taxes ₹ 2,697 crores (₹ 2,824 crores in fiscal 2015).

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have immense pleasure in presenting the **Twenty Fourth Annual Report** together with the audited financial statements for the year ended March 31, 2016 (nine months period from July 1, 2015 to March 31, 2016 hereinafter referred as 'Financial Year').

### 1. FINANCIAL RESULTS

Key highlights of the financial results of your Company for the year ended March 31, 2016 are as under:

(₹ in crores)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31 <sup>st</sup> March 2016 (Nine months)	30 <sup>th</sup> June, 2015 (Twelve months)	31 <sup>st</sup> March 2016 (Nine months)	30 <sup>th</sup> June, 2015 (Twelve months)
<b>Total Income</b>	<b>31,676.24</b>	<b>37,840.68</b>	<b>14,402.11</b>	<b>18,352.94</b>
<b>Total Expenditure</b>	<b>24,707.10</b>	<b>28,723.62</b>	<b>8,634.50</b>	<b>10,654.40</b>
<b>Profit before tax</b>	<b>6,969.14</b>	<b>9,117.06</b>	<b>5,767.61</b>	<b>7,698.54</b>
Provision for tax	(1,363.89)	(1,815.11)	(1,033.93)	(1,352.59)
Share of profit of associates	56.20	39.90	-	-
<b>Profit for the year</b>	<b>5,661.45</b>	<b>7,341.85</b>	<b>4,733.68</b>	<b>6,345.95</b>
<b>Profit attributable to</b>				
Owners of the Company	5,643.04	7,317.07	-	-
Share of profit of minority interest	18.41	24.78	-	-

### 2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

On a standalone basis, the Company achieved revenue of ₹ 14,402.11 crores in the nine months' period from July 1, 2015 to March 31, 2016 and a profit of ₹ 4,733.68 crores in the said financial year.

On a consolidated basis, the Company achieved revenue of ₹ 31,676.24 crores in the nine months' period from July 1, 2015 to March 31, 2016 and a profit of ₹ 5,661.45 crores in the said financial year.

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

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statements is provided in the Annual Report.

The current financial year of the Company is for a nine months period from July 1, 2015 to March 31, 2016. The figures for the current financial year are therefore not comparable with those of the previous year.

### 3. DIVIDEND

During the financial year ended March 31, 2016, your Directors had declared and paid three interim dividends as per the details given below:

S.No.	Interim dividend paid during the period from July 1, 2015 to March 31, 2016	Rate of dividend per share (face value of ₹ 2 each)	Amount of dividend paid	Dividend Distribution tax paid by the Company	Total Outflow
				(₹ in crores)	
1.	1 <sup>st</sup> Interim Dividend	₹ 5	702.99	139.17	842.16
2.	2 <sup>nd</sup> Interim Dividend	₹ 5	703.16	139.18	842.34
3.	3 <sup>rd</sup> Interim Dividend	₹ 6	845.59	172.14	1017.73
	<b>Total</b>		<b>2,251.74</b>	<b>450.49</b>	<b>2,702.23</b>

The Board of Directors in its meeting held on April 27-28, 2016, has declared an interim dividend of ₹ 6 per equity share of face value of ₹ 2 each for the year 2016-17. The Directors did not recommend final dividend for the year ended March 31, 2016.

### 4. TRANSFER TO RESERVES

No amount was transferred to the General Reserve Account for the Financial Year.

### 5. CHANGES IN CAPITAL STRUCTURE

#### Shares allotted under Employees Stock Option Plans

During the year, the Company allotted 44,02,896 equity shares of ₹ 2 each fully paid-up under its Employees Stock Option Plans.

#### Issued and Paid-up share capital as on March 31, 2016

As on March 31, 2016, the issued, subscribed and paid-up share capital of the Company was ₹ 2,820,762,628 divided into 1,410,381,314 equity shares of face value of ₹ 2 each.

### 6. DEBENTURES

Your Company has not issued any fresh debentures during the financial year under review.

### 7. MANAGEMENT DISCUSSION AND ANALYSIS

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

### 8. SUBSIDIARIES/ACQUISITIONS

As on March 31, 2016, the Company has 86 subsidiaries and 9 associate companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

As per the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries (which includes associate companies and joint ventures) in **Form AOC-1** is attached to the financial statements of the Company.

As per the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company. The Company would provide the annual accounts of the subsidiaries and the related detailed information to the shareholders of the Company on specific request made to it in this regard by the shareholders.

During the year, the Company had incorporated the following step down subsidiaries / associate companies (through Joint Venture): -

S.No.	Name of Subsidiary Companies	Country of Incorporation
1	HCL Technologies Czech Republic S.R.O.	Czech Republic
2	HCL Muscat Technologies LLC	Oman
3	HCL Joint Venture Holding Inc.	USA
4	CeleritiFinTech Australia Pty. Limited	Australia
5	CeleritiFinTech USA Inc.	USA
6	CeleritiFintech Italy S.R.L.	Italy
7	CeleritiFinTech Germany GmbH	Germany
8	CeleritiFinTech Limited	United Kingdom
	<b>Name of Associate Companies</b>	
9	CeleritiFinTech Services Limited	United Kingdom
10	CeleritiFinTech Services USA Inc.*	USA
11	CeleritiFinTech Services Australia Pty. Limited*	Australia
12	CeleritiFinTech Services Italy S.R.L.*	Italy
13	CeleritiFinTech Services Germany, GmbH*	Germany
14	CeleritiFintech Services India Pvt. Ltd.*	India

\*CeleritiFintech Services Limited, UK is the holding Company of this Company.

In addition to the above, the Company acquired 100% stake in HCL Training and Staffing Services Private Limited (HCLTSS), a company incorporated in India, engaged in the business of recruitment of engineers and rendering of training in the field of IT and ITES.

HCL Technologies UK Limited, a step down subsidiary of the Company in UK acquired 100% stake in Point to Point Limited and Point to Point Products Limited (jointly referred to as P2P), the companies incorporated in UK, being a niche provider of complex workplace engineering services in UK.

HCL Global Processing Services Limited, a subsidiary of the Company in India acquired 100% stake in Concept2Silicon Systems Private Limited ("C2SiS"), a Company incorporated under the Companies Act, 1956, engaged in providing complete solutions for complex system on Chip and System designs with best in class engineering capabilities and a cost-efficient business model.

HCL America Inc., a step down subsidiary of the Company in USA, acquired the Powerteam LLC, a Delaware limited liability company (popularly known as "PowerObjects"), a leading North American solutions provider and a partner of Microsoft engaged in the business of developing, maintaining, licensing, consulting, servicing etc. related to customer relationship management ("CRM") using the Microsoft Dynamics suite of products.

During the year, the Company has acquired the IT division of Volvo IT AB ("Volvo IT"), a subsidiary of AB Volvo, the holding company of the Volvo Group, which provides IT services to the Volvo group as well as non- Volvo group customers.

The Company also acquired certain assets of privately held Trygstad Technical Services Inc. ("Trygstad"), a US based provider of IT consulting services & solutions to marquee customers, in an all cash deal. Trygstad Technical Services Inc. is a niche company with deep expertise in the areas of core engineering (including operating systems), Internet Of Things (IoT), Embedded Systems and Intelligent Systems.

## **9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors consists of ten members, of which, one is the Promoter Director who is designated as the Chairman and Chief Strategy Officer of the Company. The other 9 Directors are Non-Executive Directors, of which 7 are Independent Non-Executive Directors. The Board also comprises of two women Directors.

At the Annual General Meeting of the Company held on December 22, 2015, Mr. Thomas Sieber (DIN - 07311191) was appointed as an Independent Director of the Company in terms of section 149 of Companies Act, 2013, to hold office for a period of five 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152 (6) of the Act, Ms. Roshni Nadar Malhotra (DIN 02346621) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for reappointment as the Director of the Company.

## **10. NUMBER OF MEETINGS OF THE BOARD**

During the year, four meetings of the Board were held. The details of the meetings are provided in the Corporate Governance Report.

## **11. FAMILIARIZATION PROGRAMME**

The details of familiarization programme have been provided under the Corporate Governance Report.

## **12. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a formal Annual Performance evaluation is to be made by the Board of its own performance and that of the Committees and individual Directors. Also, Schedule IV of the said Act requires performance evaluation of Independent Directors by the Board, excluding the Director being evaluated.

In view of the above, the annual performance evaluation was conducted by the Board on the basis of framework and criteria 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 report.

## **13. AUDITORS**

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditors of your Company in the Annual General Meeting held on December 4, 2014 for a term of five years until the conclusion of the Twenty Seventh AGM of the Company to be held in the year 2019. As per the provisions of Section 139 of the Act, the

appointment of the Statutory Auditors is required to be ratified by Members at every Annual General Meeting. Accordingly, the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, shall be placed for ratification by the Members in the ensuing Annual General Meeting. In this regard, the Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not disqualified for such reappointment within the meaning of the said section.

## **14. AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. S.R. Batliboi & Co. LLP, Statutory Auditors in their report for the financial year ended March 31, 2016. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

## **15. SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act, M/s. Chandrasekaran Associates, Practising Company Secretaries were appointed as the Secretarial Auditor of the Company. The report of the Secretarial Auditor 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 or adverse remarks made by the Secretarial Auditor in their report for the financial year ended March 31, 2016.

## **16. 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** is enclosed as Annexure 2 to this Report.

## **17. DIRECTORS' APPOINTMENT AND REMUNERATION**

In accordance with the provisions of Companies Act, 2013, the Nomination and Remuneration Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of Directors in terms of its charter.

In evaluating the suitability of individual Board members, the Committee takes into account factors, such as Educational and professional background, General understanding of the Company's business dynamics, Standing in the profession, 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 appointment / re-appointment as per the criteria prescribed under the provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

## **18. AUDIT COMMITTEE**

The Audit Committee comprises of four Independent Directors namely, Mr. Amal Ganguli, Ms. Robin Ann Abrams, Mr. Subramanian Madhavan and Mr. Keki Mistry. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

## **19. RISK MANAGEMENT POLICY**

The Board of the Company has formed a Risk Management



Committee to inter-alia assist the Board in overseeing the responsibilities with regard to the 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 the 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 the nature of its operations. The controls are adequate for ensuring the orderly and efficient conduct of the business and these controls are working effectively. 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, safe-guarding of assets from unauthorized use and prevention and detection of frauds and errors.

## **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.

## **23. TRANSACTIONS WITH RELATED PARTIES**

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 3 in **Form AOC-2** and the same forms part of this Report. The Company also has in place a 'Related Party Policy', which is available on the website of the Company.

## **24. CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility (CSR) committee comprises of three members, namely Mr. Shiv Nadar, Ms. Roshni Nadar Malhotra and Mr. Subramanian Madhavan. The Committee is inter-alia responsible for formulating and monitoring the CSR Policy of the Company. A brief outline of the Corporate Social Responsibility (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 in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Policy is available on the website of the Company.

## **25. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF**

Pursuant to the provisions of Section 124(5) of the Act, the dividend amounts which have remained unpaid or unclaimed for a period of

seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 125 of the Act. The details of unpaid/unclaimed dividend that will be transferred to IEPF in subsequent years are given in the Corporate Governance section of the Annual Report.

## **26. DEPOSITS**

Your Company has not accepted any deposits from public.

## **27. CORPORATE GOVERNANCE**

The Corporate Governance Report, in terms of Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the Statutory Auditors certificate is attached and forms part of this Report.

## **28. BUSINESS RESPONSIBILITY REPORT**

The Securities and Exchange Board of India ("SEBI") vide the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has mandated inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 500 listed companies. However, pursuant to these regulations, if a listed Company publishes the Sustainability Report based on internationally accepted reporting framework along with a mapping of the BRR as stated in the said regulations, it would be treated as sufficient compliance of these regulations.

For the financial year 2015-16, as the Company has prepared its sustainability report based on the internationally accepted reporting framework and the principles stated under the above SEBI regulations have been mapped with the Sustainability Report, no separate BRR has been prepared by the Company. The mapping and the Sustainability Report are available on our website at <http://www.hcltech.com/socially-responsible-business>.

## **29. INSIDER TRADING REGULATIONS**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, the 'Insider Trading Code' to regulate, monitor and report trading by insiders and the 'Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information' are in force.

## **30. AWARDS AND RECOGNITIONS**

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

- Won the coveted Indo-German Chamber of Commerce Award for "Outstanding Contribution towards the Indo-German Economic Relations, 2015". The award was given for creating a strong local presence in Germany while strengthening employment creation & competitiveness in the region.
- ITSMA's (IT Services Marketing Association) Diamond award for "Delivering an Omnichannel Customer Experience" for corporate positioning - 'Relationship Beyond the Contract', which

has been recognized as industry's best-in-class, driving business with thought leadership and another Diamond Award for Marketing Excellence.

- Recognized at the Asian Customer Engagement Forum (ACEF) Awards, for "Creativity in Digital Marketing" exhibited in its campaign, showcasing the impact of viral videos for building employer brand affinity amongst existing and prospective employees.
- Recognition as the fastest growing brand for the second consecutive year by the Interbrand, world's leading brand consultancy.
- Recognized as one of the most admired corporate brands by The Economic Times (ET), in its study on the Best Corporate Brands 2015.
- Recognition as a Top Employer in the UK for ten consecutive years for its exceptional employee offerings and outstanding HR practices.
- Continuing its focus on best-in-class people practices, HCL has been awarded the Special TM Commendation Prize for "Practice of Ideapreneurship" at Asian Human Capital Awards 2015.
- 2015 Governor's NCWorks Award of Distinction as an "Outstanding Employer" in the state of North Carolina.
- Selected as the winner of the CA Technologies Partner of the Year Awards 2015 in the category of innovation and sales teaming for its ability to drive global innovation and sales teaming in both infrastructure management and service management.
- Positioned as a Leader in the IDC MarketScape Worldwide Life Science Manufacturing and Supply Chain ITO Vendor Assessment 2015.
- Everest Group PEAK Matrix 'Service Provider of the Year Award 2016' in two categories - 'Overall IT Services' and 'Banking, Financial Services and Insurance (BFSI) IT'. In both these categories, the Company has been recognized as 'Star Performer of the Year'.
- Positioned among Leaders in IDC MarketScape for Worldwide Application Modernization Services for Oracle Upgrades, 2016.
- Positioned in the "Winner's Circle" for its software product engineering services capabilities by the leading analyst firm HfS in its report "HfS Blueprint Report: Software Product Engineering Services Outsourcing 2015".
- Recognized as a Leader in IDC MarketScape for Worldwide Application Modernization Services for Digital Transformation 2015 Vendor Assessment, Dec 2015.
- Recognized as an Outstanding Contributor to the VLSI/ Embedded Design Industry in the Corporate Category, by Mentor Graphics Corporation and Silicon India, at the Leadership Awards 2015.
- Positioned in the leadership zone in Zinnov's Media & Entertainment Global Service Providers Rating for Gaming,

Entertainment, Marketing & Advertising, Publishing and Information Services, 2016.

- Rated as a Leader in The Forrester Wave™: Global Workplace Services, North American Workplace Services, EMEA Workplace Services, Q4 2015 by Wolfgang Benkel and William Martorelli December 17, 2015.
- Positioned as a Leader in IDC MarketScape for Worldwide Microsoft Enterprise Applications Implementation Services, 2015.

### **31. SUSTAINABILITY**

Your Company believes in a better tomorrow and based on this strong belief has embarked on a Sustainability 2020 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 Department runs a multi-layered corporate program to drive the sustainability vision.

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.

The initiatives taken by the Company on sustainability are given in detail in the sustainability report for the year 2015-16 which is hosted on the website of the Company.

### **32. ORGANIZATION EFFECTIVENESS**

The Company has further consolidated its distinctive practices during the financial year under review around the theme of design U2.0. Design U2.0 is a journey of self-discovering and development by which individuals in an organization take responsibility for optimizing their future readiness and will deliver on the four capability areas of Listen, Collaborate, Ideate and Create for the individual and organization both. Your Company is anchoring its employee experience proposition around Design U2.0.

#### **Career & Talent Management**

The Social HR framework put in place by the Company saw further recognition for Social Career Management by Brandon Hall (best advance in social talent management technology and another for best advance in leadership development) amongst many similar recognitions.

The social career and talent management platform allows employees to recast their roles as CEO of their own careers. Employees access the Company's career architecture, understand what it takes to be selected for each opportunity and go through a job based integrated curriculum to advance their career aspirations on a social career management platform. In this social career management platform, employees can refer internal opportunities to other employees and can anonymously vote their career advice to a fellow employee.

**Engagement & Culture**

The Company continues to be the place where employees can listen, ideate, collaborate and create. For the 10<sup>th</sup> year in a row, the Company was awarded the best employer in UK by the "Top Employers Institute" for its employee engagement and Ideapreneurship culture. The Company has also won the Asian Human Capital award for the practice of Ideapreneurship by the Human Capital Leadership Institute in Singapore.

The culture of Ideapreneurship is how the Company provides its employees or ideapreneurs with the license to ideate, the tools to ideate and the recognition for ideating. This helps us as a firm to deliver a relationship beyond the contract with our customers.

**33. CONSERVATION OF ENERGY, 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 your Company, are set out in Annexure 5 to this Report.

**34. 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 clause (c) of sub-section 3 of Section 134 of the Act, is annexed as Annexure 6 to this Report.

**35. 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.

**36. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of this Report.

**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 the 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
<b>Executive Director</b>		
1.	Mr. Shiv Nadar*	214.47
<b>Non-Executive Directors</b>		
2.	Mr. Amal Ganguli	10.11
3.	Mr. Keki Mistry	8.24
4.	Mr. Ramanathan Srinivasan	14.16
5.	Ms. Robin Ann Abrams	14.57
6.	Ms. Roshni Nadar Malhotra	7.59
7.	Mr. Subramanian Madhavan	9.43
8.	Mr. Sudhindar Krishan Khanna	7.69
9.	Dr. Sosale Shankara Sastry	11.85
10.	Mr. Thomas Sieber**	-

*The remuneration of Non-executive Directors also includes sitting fees paid during the year*

*\*The ratio has been calculated after taking into account the remuneration drawn from the Company as well the subsidiaries.*

*\*\*He was appointed as Director during the year. 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:**

The current financial year of the Company is for a nine months period from July 1, 2015 to March 31, 2016. The figures for the current financial year are therefore not comparable with those of the previous year.

**c. The percentage increase in the median remuneration of employees in the financial year: 6.8%**

**d. The number of permanent employees on the rolls of Company:** There were 74,887 permanent employees on the rolls of the Company. In addition the Company has 28,504 number of employees on the rolls of its subsidiaries.

**e. The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 8.09% in India. The individual increments varied from 2.4% to 21.92%, based on individual performance.

Employees outside India received average wage increase of 2.5%. The increase in remuneration of employees in India and outside India is in line with the market trends in the respective countries. Increase in remuneration of employees reflects the individual's and Company's performance. The Annual

Performance Bonus pay out is also linked to organization performance, apart from an individual's performance.

**f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

(₹ in crores)

Particulars	On the basis of	
	Standalone	Consolidated
Aggregate remuneration of Key Managerial Personnel (KMP) in FY16	51.26	55.98
Revenue (FY16)	14,402.11	31,676.24
Remuneration of KMP as percentage of Revenue	0.36	0.18
Profit before Tax (FY16)	5,767.61	6,969.14
Remuneration of KMP as percentage of Profit before Tax	0.89	0.80

**g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31 <sup>st</sup> March 2016	30 <sup>th</sup> June 2015	% change
Market Capitalisation (₹ crore)	114,819	129,312	-11.2%
Price Earnings Ratio	30.54*	35.52	-14.0%

\* EPS for FY15-16, has been annualized by multiplying EPS of 9 months ending March, 2016 with 4/3.

**h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	31 <sup>st</sup> March 2016	24 <sup>th</sup> December 1999 (IPO)	24 <sup>th</sup> December 1999 (IPO)*	% change*
Market Price (NSE)	814.10	580	72.5	1022.9
Market Price (BSE)	814.15	580	72.5	1023.0

\* Adjusted for Stock Split (face value of ₹ 4 per share sub-divided into 2 shares of face value of ₹ 2 each in the year 2000) and adjusted for Bonus issues in the year 2007 (1:1) and 2015 (1:1).

**i. 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 annual increase was 6%. There is no increase in the managerial remuneration during the year.

**j. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

**i) On the basis of Standalone accounts**

(₹ in crores)

	Mr. Shiv Nadar, Chairman & Chief Strategy Officer	Mr. Anant Gupta, Chief Executive Officer	Mr. Anil Chanana, Chief Financial Officer	Mr. Manish Anand, Company Secretary
Remuneration in FY16	9.07	38.19	3.46	0.54
Revenue	14,402.11			
Remuneration as % of Revenue	0.063	0.265	0.024	0.004
Profit before Tax	5,767.61			
Remuneration as % of Profit before Tax	0.157	0.662	0.060	0.009

**ii) On the basis of Consolidated accounts**

(₹ in crores)

	Mr. Shiv Nadar, Chairman & Chief Strategy Officer	Mr. Anant Gupta, Chief Executive Officer	Mr. Anil Chanana, Chief Financial Officer	Mr. Manish Anand, Company Secretary
Remuneration in FY16	12.60	38.19	4.66	0.54
Revenue	31,676.24			
Remuneration as % of Revenue	0.040	0.121	0.015	0.002
Profit before Tax	6,969.14			
Remuneration as % of Profit before Tax	0.181	0.548	0.067	0.008

**k. The key parameters for any variable component of remuneration availed by the Directors:**

The shareholders of the Company in the Annual General Meeting held on December 4, 2014 had granted their approval for payment of commission not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of the Act, to all the Non-executive Directors of the Company for a period of 5 years beginning from July 1, 2014.

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.

**l. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

The ratio of remuneration of Mr. Shiv Nadar, the highest paid

Director to that of Mr. Anant Gupta, President & Chief Executive Officer, the highest paid employee is as under:

- a) On Consolidated basis: 0.33:1
- b) On Standalone basis: 0.24:1

**m. 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) THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

A statement containing the names of the employees employed throughout the financial year and in receipt of remuneration of ₹ 60 lacs or more and employees employed for part of the year and in receipt of ₹ 5 lac 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 / WHISTLE BLOWER POLICY**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns 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 SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, and are available on the website of the Company at <http://www.hcltech.com/about-us/corporate-governance/governance-policies>. The details of Whistle Blower Policy forms part of the Corporate Governance Report annexed with this 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 Work Place Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted a 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 Sustainability Report respectively.

**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 the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors thank the customers, clients, vendors and other business associates for their continued support in the Company's growth. The Directors also wish to thank the Government Authorities, Financial Institutions and Shareholders for their cooperation and assistance extended to the Company.

**For and on behalf of the Board of Directors**

Place: Noida (U.P.), India  
Date : April 28, 2016

**SHIV NADAR**  
Chairman and Chief Strategy Officer

**ANNEXURE-1 TO THE DIRECTORS' REPORT**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

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 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 period from July 1, 2015 to March 31, 2016 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 March 31, 2016 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 55A;
- (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, 2009;
  - (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, 1998; Not Applicable
- (vi) The other laws, as confirmed and certified by the management specifically applicable to the Company based on their sector/ 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 of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India being effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being effective from 01.12.2015.

During the period under review the Company has generally 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 Directors, 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, and 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 no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Date: 28.04.2016

Place: New Delhi

Chandrasekaran Associates  
Company Secretaries

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

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

**ANNEXURE-1 TO THE DIRECTORS' REPORT (Contd...)**

ANNEXURE A

The Members

**HCL Technologies Limited**

806, Siddharth  
96, Nehru Place  
New Delhi-110019

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 the 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.

Date: 28.04.2016

Place: New Delhi

Chandrasekaran Associates  
Company Secretaries

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



## ANNEXURE-2 TO THE DIRECTORS' REPORT

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

(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	12/11/1991
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.: +91-11-26444812, Fax: +91-11-26436336
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any	Alankit Assignments Limited 205-208, Anarkali Market, Jhandewalan Extension, New Delhi- 110055, India Tel.: +91-11-42541234, 23541234, Fax: +91-11-42541967

**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 Ltd. 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U74899DL1993PLC056665	Subsidiary	100	2(87)
2.	HCL Comnet Ltd. 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U74899DL2001PLC111951	Subsidiary	100	2(87)
3.	HCL Global Processing Services Ltd. 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72300DL1995PLC069891	Subsidiary	100	2(87)
4.	HCL Eagle Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72200DL2011PLC225052	Subsidiary	92	2(87)
5.	HCL Foundation (Company incorporated under Section 8 of the Companies Act, 2013) 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U85100DL2014NPL274786	Subsidiary	100	2(87)
6.	HCL Bermuda Ltd Canon's Court 22, Victoria Street, Hamilton HM 12, Bermuda	Not Applicable	Subsidiary	100	2(87)
7.	HCL Great Britain Ltd. Axon Centre, Church Road, Egham, Surrey TW20 9QB, UK	-do-	Subsidiary	100	2(87)
8.	HCL (Netherlands) BV Prinses Margrietplantseon 50, unit E9.02, 2595BR 's-Gravenhage, Netherland	-do-	Subsidiary	100	2(87)
9.	HCL GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	-do-	Subsidiary	100	2(87)
10.	HCL Belgium NV Lozenburg 22 Bus 3, B-1932, Zaventem, Belgium	-do-	Subsidiary	100	2(87)
11.	HCL Sweden AB Sveavagen 21, 4 tr, 111 34 Stockholm, Sweden	-do-	Subsidiary	100	2(87)

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
12.	HCL Italy SRL Vimodrone (MI) via Luigi Cadorna N. 73, Milan 20090, Italy	-do-	Subsidiary	100	2(87)
13.	HCL Australia Services Pty. Ltd. C/o Mitchell & Partners Level 7, 10 Barrack Street, Sydney NSW 2000, Australia	-do-	Subsidiary	100	2(87)
14.	HCL (New Zealand) Ltd. C/o ilumin Ltd,1st Floor, 79 Taranaki Street, Wellington 6011, New Zealand	-do-	Subsidiary	100	2(87)
15.	HCL Hong Kong SAR Ltd. 803A, Allied Kajima Building, No 138 Gloucester Road, Wanchai , Hong Kong	-do-	Subsidiary	100	2(87)
16.	HCL Japan Ltd. 19F, NBF Hibiya Building, 1-1-7, Uchisiwal-cho Chiyoda-Ku, Tokyo, Postal Code-100-0011, Japan	-do-	Subsidiary	100	2(87)
17.	HCL America Inc. 330, Potrero Ave, Sunnyvale, California 94085, USA	-do-	Subsidiary	100	2(87)
18.	HCL Technologies Austria GmbH Gußhausstraße 14/5, 1040 Vienna, Austria	-do-	Subsidiary	100	2(87)
19.	HCL BPO Services (NI) Ltd. 11 <sup>th</sup> Floor, River House, 48 High Street, Belfast, BT1 2AW, Nothern Ireland	-do-	Subsidiary	100	2(87)
20.	HCL Singapore Pte. Ltd. 8, Shenton Way, 33-03, AXA Tower, Singapore 068811	-do-	Subsidiary	100	2(87)
21.	HCL (Malaysia) Sdn. Bhd. 35-3, Jalan, SS 15/8A, 47500, Subang Jaya, Selangor Darul Ehsan, Malaysia	-do-	Subsidiary	100	2(87)
22.	HCL Technologies Solutions Ltd. No. 6, A.S. Chambers, 80 Feet Road, VI Block, Koramangala, Bangalore, Karnataka- 560095, India	-do-	Subsidiary	100	2(87)
23.	HCL Poland sp. z o.o Zabierzów 32-080, Krakowska 280 Street, Poland,	-do-	Subsidiary	100	2(87)
24.	HCL Technologies (Shanghai) Limited Room 23500, Building 14, 498 Guoshoujing Road, PuDong New Area, 201203, Shanghai, China	-do-	Subsidiary	100	2(87)
25.	HCL EAS Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
26.	Axon Group Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
27.	HCL Axon Technologies Inc. 199, Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9, Canada	-do-	Subsidiary	100	2(87)
28.	HCL Technologies Solutions GmbH Kirchgasse 24 8024 Zurich Switzerland	-do-	Subsidiary	100	2(87)
29.	Axon Solutions Pty. Limited Level 18, 100 Pacific Highway, NSW, North Sydney NSW 2060, Australia	-do-	Subsidiary	100	2(87)
30.	Axon Solutions Inc. 15, Exchange Plaza, Suite 730, Jersey City, NJ 07302, Australia	-do-	Subsidiary	100	2(87)
31.	Axon Solutions Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
32.	HCL Axon Malaysia Sdn. Bhd. L5E-1B Enterprise 4, Technology Park Malaysia, Lebuhraya Puchong Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur, Malaysia	-do-	Subsidiary	100	2(87)
33.	Axon Solutions Singapore Pte. Ltd. 519, Balestier Road , #03 - 01 Le Shantier Singapore 329852	-do-	Subsidiary	100	2(87)

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
34.	Axon Solutions (Shanghai) Co. Ltd. Room 23508-23510, Building 14, 498 Guoshoujing Road, Shanghai, China	-do-	Subsidiary	100	2(87)
35.	HCL Axon (Proprietary) Ltd. GMI House, Harlequins Office Park, 164, Totius Street, Groenkloof, Pretoria, 0027, South Africa	-do-	Subsidiary	70	2(87)
36.	HCL Expense Management Services Inc. 201, Route 17 North, Rutherford NJ 07070, USA	-do-	Subsidiary	100	2(87)
37.	HCL Insurance BPO Services Limited 2nd Floor, No. 1, Croydon, 12-16, Addiscombe Road, Croydon, U.K.	-do-	Subsidiary	100	2(87)
38.	HCL Argentina s.a. 25 de Mayo 489, 3rd Floor, Buenos Aires, Argentina	-do-	Subsidiary	100	2(87)
39.	HCL Mexico S. de R.L. Avenida Empresarios 135 PISO 2 Puerta DE Hierro Jalisco 45116, Mexico	-do-	Subsidiary	100	2(87)
40.	HCL Technologies Romania s.r.l. Office 2, Room 5, Semi-basement, 15-17 Helesteului street, 1 <sup>st</sup> District, Bucharest, Romania	-do-	Subsidiary	100	2(87)
41.	HCL Hungary kft 1132 Budapest,Váci út 20,Hungary	-do-	Subsidiary	100	2(87)
42.	HCL Latin America Holding LLC 1209, Orange Street, Wilmington, Delaware 19808, USA	-do-	Subsidiary	100	2(87)
43.	HCL (Brazil) Tecnologia da informacao Ltda. Rua do Rocio, n.º 220, 04º andar, conjunto n.º 42, edifício Atrium, Vila Olímpia, CEP: 04552-903, Brazil	-do-	Subsidiary	100	2(87)
44.	HCL Technologies Denmark Aps Tuborg Boulevard 12, 3, 2900 Hellerup, Denmark	-do-	Subsidiary	100	2(87)
45.	HCL Technologies Norway AS Dronning Eufemias Gate 16, 0191 Oslo, Norway	-do-	Subsidiary	100	2(87)
46.	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	-do-	Subsidiary	100	2(87)
47.	HCL Technologies South Africa (Proprietary) Limited GMI House, Harlequins Office Park, 164, Toitus Street, Groenkloof, Pretoria 0027, South Africa	-do-	Subsidiary	70	2(87)
48.	HCL Arabia LLC AL Olaya Street, Al Aqariya Plaza, Office NO.203, Riyadh-12244, Kingdom of Saudi Arabia	-do-	Subsidiary	100	2(87)
49.	HCL Technologies Philippines, Inc. Net Cube Center, 3rd Avenue Corner, 30th Street, E-Square Zone, Bonifacio Global City, Taguig City, Metro, Manila 1634 Philippines	-do-	Subsidiary	100	2(87)
50.	HCL Technologies France 13/15, Rue, Taitbout, Paris, France	-do-	Subsidiary	100	2(87)
51.	Filial Espanola De HCL Technoloiges S.L. Paseo de la Castellana, 35, 2 Planta 28046 Madrid, Spain	-do-	Subsidiary	100	2(87)
52.	Anzospan Investments Pty. Ltd GMI House, Harlequins Office Park, 164, Toitus Street, Groenkloof, Pretoria 0027, South Africa	-do-	Subsidiary	70	2(87)
53.	HCL Investments (UK) Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
54.	HCL America Solutions Inc. 330, Potrero Ave, Sunnyvale, California 94085, USA	-do-	Subsidiary	100	2(87)
55.	HCL Technologies Chile SPA EL Golf 40 Piso, Las Condes, Santiago, CP 755-0107, Chile	-do-	Subsidiary	100	2(87)
56.	HCL Technologies UK Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
57.	HCL Technologies B.V. Prinses Margrietplantseon 50, unit E9.02, 2595BR 's-Gravenhage, Netherland	-do-	Subsidiary	100	2(87)
58.	HCL Technologies Germany GmbH Frankfurter Strasse 63-69, 65760 ESCHBORN, Germany	-do-	Subsidiary	100	2(87)
59.	HCL (Ireland) Information Systems Ltd. 3 <sup>rd</sup> Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	-do-	Subsidiary	100	2(87)
60.	HCL Technologies Finland Oy Keilaranta 6 02150 Espoo, Finland	-do-	Subsidiary	100	2(87)
61.	HCL Technologies Belgium BVBA Lozenburg 22 Box 3, 1932, Zaventem, Belgium	-do-	Subsidiary	100	2(87)
62.	HCL Technologies Sweden AB Sveavagen 21, 4 tr, 111 34 Stockholm, Sweden	-do-	Subsidiary	100	2(87)
63.	HCL Technologies Italy S.P.A. Vimodrone (MI) via Luigi Cadorna N. 73, Milan 20090, Italy	-do-	Subsidiary	100	2(87)
64.	HCL Technologies Columbia S.A.S., Carrera 7 No. 71-52 Torre A Piso 5 / Bogotá - Colombia	-do-	Subsidiary	100	2(87)
65.	HCL Technologies Middle East FZ-LLC, 215, Floor 2, Building 15, Dubai Internet City, Dubai, UAE	-do-	Subsidiary	100	2(87)
66.	HCL Technologies Greece Single Member P.C. 62 Kifissias Avenue, 15125 Maroussi, Athens	-do-	Subsidiary	100	2(87)
67.	HCL Istanbul Bilisim Teknolojileri Limited Sirketi Maslak Meydan District No:3 Veko Giz Plaza 13 <sup>th</sup> Floor Apartment no:43 Room no:1302 Sariyer/Istanbul	-do-	Subsidiary	100	2(87)
68.	HCL Technologies Egypt Ltd. Unit 01 – 2237, North Tower, Nile City Towers, 22 <sup>nd</sup> Floor, Ramelt Beaulac – Corniche el – Nile – Cairo	-do-	Subsidiary	100	2(87)
69.	HCL Technologies S.A. Eddificio Atrium, Piso 3, Av. Venezuela, El Rosal, Caracus, Venezuela	-do-	Subsidiary	100	2(87)
70.	HCL Technologies Luxembourg SARL L-1610 Luxembourg, 42-44, Avenue de la Gare	-do-	Subsidiary	100	2(87)
71.	HCL Technologies Beijing Co. Ltd. Office no. 2336, 20/F, Taiking Financial Tower, 38 East Third Ring Road, Chaoyang District, Beijing, China	-do-	Subsidiary	100	2(87)
72.	HCL Technologies (Thailand) Limited 89, AIA Capital Center, 20/F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400, Thailand	-do-	Subsidiary	100	2(87)
73.	HCL Technologies Estonia OU Väike-Karja 3/Sauna 2, Tallinn, Harju county-10140, Estonia	-do-	Subsidiary	100	2(87)
74.	HCL Technologies Czech Republic s.r.o. 74 - Inovacni 122, Hodkovice, 25241, Zlatniky - Hodkovice	-do-	Subsidiary	100	2(87)
75.	HCL Joint Venture Holdings Inc. 1209, Orange Street, Wilmington, Delaware 19808, USA	-do-	Subsidiary	100	2(87)
76.	CeleritiFintech Limited (previous name Celeriti Solutions Limited) Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	51	2(87)
77.	CeleritiFinTech Australia Pty. Limited Suite 3, Level 2, 66 Clarence Street, Sydney, NSW, 2000, Australia	-do-	Subsidiary	51	2(87)
78.	CeleritiFinTech USA Inc. 1209 Orange Street, Wilmington, Delaware 19801, USA	-do-	Subsidiary	51	2(87)
79.	PowerTeam LLC 718, Washington Avenue, N. Suite, Minneapolis, Minnesota, 55401, USA	-do-	Subsidiary	100	2(87)

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
80.	Concept2Silicon Systems Private Limited No. 71/72, 1 <sup>st</sup> Floor, 6 <sup>th</sup> Block, Jyoti Niwas, College Road, Industrial Layout, Koramangala, Bangalore-560095, India	U72200KA2009PTC050240	Subsidiary	100	2(87)
81.	HCL Training & Staffing Services Private Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U74140DL2015PTC281555	Subsidiary	100	2(87)
82.	HCL Muscat Technologies LLC PO Box 29 PC 135, KOM, Sultanate of Oman	Not Applicable	Subsidiary	100	2(87)
83.	CeleritiFintech Italy S.R.L. Via Luigi Cadorna 73, Vimodrone (MI) CAP 20090, Italy	-do-	Subsidiary	51	2(87)
84.	CeleritiFinTech Germany GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	-do-	Subsidiary	51	2(87)
85.	Point to Point Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
86.	Point to Point Products Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Subsidiary	100	2(87)
87.	StateStreet HCL Services (India) Pvt. Limited 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72900DL2012FTC229698	Associate	49	2(6)
88.	State Street HCL Holdings (UK) Ltd. Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	Not Applicable	Associate	49	2(6)
89.	State Street HCL Services (Philippines) Inc. Science Hub, Tower 3, Campus Avenue Corner Milano St, Mckinley Hill Cyberpark, Fort Bonifacio Taguig City, Philippines	-do-	Associate	49	2(6)
90.	CeleritiFintech Services Limited Axon Centre, Church Road, Egham, Surrey, TW20 9QB, England	-do-	Associate	49	2(6)
91.	CeleritiFinTech Services USA Inc. 1209 Orange Street, Wilmington, Delaware 19801, USA	-do-	Associate	49	2(6)
92.	CeleritiFinTech Services Australia Pty. Limited 26, Talavera Road, Macquire, Park NSW 2113, Australia	-do-	Associate	49	2(6)
93.	CeleritiFintech Services Italy S.R.L. Viale Famagosta 75 Milano (MI) CAP 20142, Italy	-do-	Associate	49	2(6)
94.	CeleritiFintech Services Germany, GmbH Frankfurter Strasse 63-69, D-65760 ESCHBORN, Germany	-do-	Associate	49	2(6)
95.	CeleritiFintech Services India Pvt. Ltd. 806, Siddharth, 96, Nehru Place, New Delhi-110019, India	U72200DL2016FTC289201	Associate	49	2(6)

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30- June-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	612,622,144	-	612,622,144	43.57%	612,470,704	-	612,470,704	43.43%	-0.15%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(i) Directors & their relatives	788	-	788	0.00%	788	-	788	0.00%	-
(ii) Trust	80	-	80	0.00%	-	-	-	0.00%	-
<b>Sub- total (A) (1):-</b>	<b>612,623,012</b>	<b>-</b>	<b>612,623,012</b>	<b>43.57%</b>	<b>612,471,492</b>	<b>-</b>	<b>612,471,492</b>	<b>43.43%</b>	<b>-0.15%</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	239,097,816	-	239,097,816	17.01%	239,097,816	-	239,097,816	16.95%	-0.05%
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub- total (A) (2):-</b>	<b>239,097,816</b>	<b>-</b>	<b>239,097,816</b>	<b>17.01%</b>	<b>239,097,816</b>	<b>-</b>	<b>239,097,816</b>	<b>16.95%</b>	<b>-0.05%</b>
<b>Total shareholding of promoter (A)= (A)(1) +(A)(2)</b>	<b>851,720,828</b>	<b>-</b>	<b>851,720,828</b>	<b>60.58%</b>	<b>851,569,308</b>	<b>-</b>	<b>851,569,308</b>	<b>60.38%</b>	<b>-0.20%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	48,797,020	2,164	48,799,184	3.47%	61,423,541	2,164	61,425,705	4.36%	0.88%
b) Alternative Investment Funds	-	-	-	0.00%	6,000	-	6,000	0.00%	-
c) Banks / FI	777,145	796	777,941	0.06%	1,909,323	796	1,910,119	0.14%	0.08%
d) Central Govt.	-	-	-	-	-	-	-	-	-
e) State Govt(s).	-	-	-	-	-	-	-	-	-
f) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	14,036,744	-	14,036,744	1.00%	16,872,761	-	16,872,761	1.20%	0.20%
g) FIIs	406,712,390	800	406,713,190	28.93%	379,933,860	800	379,934,660	26.94%	-1.99%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
(i) foreign banks	1,200	-	1,200	0.00%	1,200	-	1,200	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>470,324,499</b>	<b>3,760</b>	<b>470,328,259</b>	<b>33.45%</b>	<b>460,146,685</b>	<b>3,760</b>	<b>460,150,445</b>	<b>32.63%</b>	<b>-0.83%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporates	33,711,548	7,020	33,718,568	2.40%	44,410,958	28,420	44,439,378	3.15%	0.75%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	33,168,464	678,599	33,847,063	2.41%	33,910,677	615,337	34,526,014	2.45%	0.04%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-June-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,191,884	-	7,191,884	0.51%	6,487,430	-	6,487,430	0.46%	-0.05%
c) NBFC registered with RBI	-	-	-	-	176,651	-	176,651	0.01%	0.01%
d) Others (specify)									
Trusts	1,337,122	-	1,337,122	0.10%	2,355,820	-	2,355,820	0.17%	0.07%
Foreign Nationals	74,767	-	74,767	0.01%	74,767	-	74,767	0.01%	0.00%
Non-Resident Indians	5,858,975	29,440	5,888,415	0.42%	7,182,928	9,440	7,192,368	0.51%	0.09%
Overseas Corporate Bodies	17,244	880	18,124	0.00%	17,244	880	18,124	0.00%	0.00%
Foreign Corporate Body	-	-	-	-	-	-	-	-	-
Clearing Members	1,364,123	-	1,364,123	0.10%	2,879,933	-	2,879,933	0.20%	0.11%
Hindu Undivided Families	489,265	-	489,265	0.03%	511,076	-	511,076	0.04%	0.00%
<b>Sub- total (B)(2):-</b>	<b>83,213,392</b>	<b>715,939</b>	<b>83,929,331</b>	<b>5.97%</b>	<b>98,007,484</b>	<b>654,077</b>	<b>98,661,561</b>	<b>7.00%</b>	<b>1.03%</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>553,537,891</b>	<b>719,699</b>	<b>554,257,590</b>	<b>39.42%</b>	<b>558,154,169</b>	<b>657,837</b>	<b>558,812,006</b>	<b>39.62%</b>	<b>0.20%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,405,258,719</b>	<b>719,699</b>	<b>1,405,978,418</b>	<b>100%</b>	<b>1,409,723,477</b>	<b>657,837</b>	<b>1,410,381,314</b>	<b>100.00%</b>	<b>-</b>

**(ii) Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01-July-2015)			Shareholding at the end of the year (31-March-2016)			% 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.	Vama Sundari Investments (Delhi) Pvt. Ltd.	60,00,97,024	42.68%	0	60,00,97,024	42.55%	0	-0.13%
2.	HCL Corporation Private Limited	1,25,25,120	0.89%	0	1,23,73,680	0.88%	0	-0.01%
3.	HCL Holdings Private Limited*	23,90,97,816	17.01%	0	23,90,97,816	16.95%	0	-0.05%
4.	Mr. Shiv Nadar	368	0.00%	0	368	0.00%	0	0.00%
5.	Ms. Kiran Nadar	72	0.00%	0	72	0.00%	0	0.00%
6.	Ms. Roshni Nadar Malhotra	348	0.00%	0	348	0.00%	0	0.00%
7.	SSN Trust **	80	0.00%	0	0	0.00%	0	0.00%
	<b>Total</b>	<b>85,17,20,828</b>	<b>60.58%</b>	<b>0</b>	<b>85,15,69,308</b>	<b>60.38%</b>	<b>0</b>	

\* This is an Overseas Corporate Body.

\*\* This is a public charitable trust in which promoter does not hold any beneficial interest.

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

S. No.	Date	Particulars	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.		<b>Vama Sundari Investments (Delhi) Pvt. Ltd.</b>				
	01-Jul-15	At the beginning of the year	60,00,97,024	42.68	60,00,97,024	42.68
	31-Mar-16	At the end of the year	60,00,97,024	42.55	60,00,97,024	42.55
2.		<b>HCL Corporation Private Limited</b>				
	01-Jul-15	At the beginning of the year	1,25,25,120	0.89	1,25,25,120	0.89
	21-Oct-15	Transfer of shares to its employees	(1,51,440)	-0.01	1,23,73,680	0.88

S. No.	Date	Particulars	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
	31-Mar-16	At the end of the year	1,23,73,680	0.88	1,23,73,680	0.88
<b>3.</b>	<b>HCL Holdings Private Limited</b>					
	01-Jul-15	At the beginning of the year	23,90,97,816	17.01	23,90,97,816	17.01
	31-Mar-16	At the end of the year	23,90,97,816	16.95	23,90,97,816	16.95
<b>4.</b>	<b>Mr. Shiv Nadar</b>					
	01-Jul-15	At the beginning of the year	368	0.00	368	0.00
	31-Mar-16	At the end of the year	368	0.00	368	0.00
<b>5.</b>	<b>Ms. Kiran Nadar</b>					
	01-Jul-15	At the beginning of the year	72	0.00	72	0.00
	31-Mar-16	At the end of the year	72	0.00	72	0.00
<b>6.</b>	<b>Ms. Roshni Nadar Malhotra</b>					
	01-Jul-15	At the beginning of the year	348	0.00	348	0.00
	31-Mar-16	At the end of the year	348	0.00	348	0.00
<b>7.</b>	<b>SSN Trust</b>					
	01-Jul-15	At the beginning of the year	80	0.00	80	0.00
	22-Mar-16	Sale of Shares	(80)	0.00	0	0.00
	31-Mar-16	At the end of the year	0	0.00	0	0.00

**(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
	At the beginning of the year	<b>Refer Annexure 2A</b>			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year (or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Date	For each of the Directors and KMP	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
<b>Directors</b>						
<b>1.</b>	<b>Mr. Shiv Nadar</b>					
	01-Jul-15	At the beginning of the year	368	0.00	368	0.00
	31-Mar-16	At the end of the year	368	0.00	368	0.00



S. No.	Date	For each of the Directors and KMP	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
2.	<b>Ms. Roshni Nadar Malhotra</b>					
	01-Jul-15	At the beginning of the year	348	0.00	348	0.00
	31-Mar-16	At the end of the year	348	0.00	348	0.00
3.	<b>Mr. Subramanian Madhavan</b>					
	01-Jul-15	At the beginning of the year	1500	0.00	1500	0.00
	31-Mar-16	At the end of the year	1500	0.00	1500	0.00
<b>Key Managerial Personnel</b>						
1.	<b>Anant Gupta, CEO</b>					
	01-Jul-15	At the beginning of the year	2,20,368	0.00	2,20,368	0.02
	24-Nov-15	Allotment of shares under ESOP	2,04,800	0.00	4,25,168	0.03
	31-Mar-16	At the end of the year	4,25,168	0.00	4,25,168	0.03
2.	<b>Anil Chanana, CFO</b>					
	01-Jul-15	At the beginning of the year	1,45,252	0.00	1,45,252	0.01
	24-Nov-15	Allotment of shares under ESOP	30,880	0.00	1,76,132	0.01
	31-Mar-16	At the end of the year	1,76,132	0.00	1,76,132	0.01
3.	<b>Manish Anand, CS</b>					
	01-Jul-15	At the beginning of the year	7,684	0.00	7,684	0.00
	10-Nov-15	Allotment of shares under ESOP	5,000	0.00	12,684	0.00
	13-Feb-16	Allotment of shares under ESOP	6,520	0.00	19,204	0.00
	31-Mar-16	At the end of the year	19,204	0.00	19,204	0.00

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	40.63	-	-	40.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>40.63</b>	<b>-</b>	<b>-</b>	<b>40.63</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	15.35	0.03	-	15.38
* Reduction	(14.35)	-	-	(14.35)
<b>Net Change</b>	<b>1.00</b>	<b>0.03</b>	<b>-</b>	<b>1.03</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	41.63	0.03	-	41.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>41.63</b>	<b>0.03</b>	<b>-</b>	<b>41.66</b>

1. The Company has availed of term loans of ₹ 41.63 crores (Previous year ₹ 40.63 crores) secured by hypothecation of gross block of vehicles.

2. Unsecured loans represents Bank overdrafts.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in crores)

S.No.	Particulars of Remuneration*	Name of MD/WTD/ Manager Shiv Nadar	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	7.60	7.60
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.23	1.23
	(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	0.16	0.16
	- Medical	0.01	0.01
	- Misc. reimbursement	0.07	0.07
	<b>Total (A)</b>	<b>9.07</b>	<b>9.07</b>
	Ceiling as per the Act (5% of net profits of the Company calculated under section 198 of the Companies Act, 2013)		280.49

**Note:** In addition, Mr. Shiv Nadar received ₹ 3.35 crores as salary and perquisites from subsidiaries of the Company.

**B. Remuneration to other Directors**

(₹ in crores)

S. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	<b>Independent Directors</b>				
	Mr. Amal Ganguli	0.02	0.57	-	0.59
	Mr. Keki Mistry	0.01	0.47	-	0.48
	Mr. Ramanathan Srinivasan	0.01	0.82	-	0.83
	Ms. Robin Ann Abrams	0.02	0.84	-	0.86
	Dr. Sosale Shankara Sastry	0.01	0.69	-	0.70
	Mr. Subramanian Madhavan	0.02	0.53	-	0.55
	Mr. Thomas Sieber*	0.00	0.37	-	0.37
	<b>Total (1)</b>	<b>0.09</b>	<b>4.29</b>	<b>-</b>	<b>4.38</b>
2.	<b>Other Non-Executive Directors</b>				
	Ms. Roshni Nadar Malhotra	0.01	0.44	-	0.45
	Mr. Sudhindar Krishan Khanna	0.01	0.44	-	0.45
	<b>Total (2)</b>	<b>0.02</b>	<b>0.88</b>	<b>-</b>	<b>0.90</b>
	<b>Total (B)=(1+2)</b>	<b>0.11</b>	<b>5.17</b>	<b>-</b>	<b>5.28</b>
	Overall Ceiling as per the Act (1% of net profits of the Company calculated under section 198 of the Companies Act, 2013)				56.10
	<b>Total Managerial Remuneration (A+B)</b>				<b>14.35</b>

\* Mr. Thomas Sieber was appointed as a Director of the Company w.e.f. October 17, 2015.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in crores)

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Anant Gupta, Chief Executive Officer	Mr. Anil Chanana, 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	36.99	3.45	0.54	40.98
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.21	0.01	0.00	1.22
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-
2.	Stock Option	0.12	0.05	0.01	0.18
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>38.32</b>	<b>3.51</b>	<b>0.55</b>	<b>42.38</b>

\*In addition, Mr. Anil Chanana received ₹ 1.19 crores as remuneration from a 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)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			<b>NIL</b>		
<b>B. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			<b>NIL</b>		

## ANNEXURE-2A TO THE DIRECTORS' REPORT

## Shareholding Pattern of Top 10 shareholders (Other than Directors, Promoters)

Date	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
1-Jul-15	Opening Balance	11,839,806	0.84	11,839,806	0.84
<b>ICICI Prudential Mutual Fund</b>					
03-Jul-15	Purchase	364,846	0.03	12,204,652	0.87
10-Jul-15	Purchase	390,985	0.03	12,595,637	0.90
17-Jul-15	Purchase	192,483	0.01	12,788,120	0.91
24-Jul-15	Sale	(94,991)	(0.01)	12,693,129	0.90
31-Jul-15	Purchase	260,705	0.02	12,953,834	0.92
07-Aug-15	Sale	(76,476)	(0.01)	12,877,358	0.92
14-Aug-15	Purchase	822,509	0.06	13,699,867	0.97
21-Aug-15	Purchase	53,121	0.00	13,752,988	0.98
28-Aug-15	Purchase	428,110	0.03	14,181,098	1.01
04-Sep-15	Purchase	236,959	0.02	14,418,057	1.03
11-Sep-15	Purchase	336,541	0.02	14,754,598	1.05
25-Sep-15	Sale	(281,822)	(0.02)	14,472,776	1.03
30-Sep-15	Sale	(437,006)	(0.03)	14,035,770	1.00
09-Oct-15	Purchase	2,378,596	0.17	16,414,366	1.17
16-Oct-15	Purchase	329,169	0.02	16,743,535	1.19
23-Oct-15	Sale	(190,331)	(0.01)	16,553,204	1.18
30-Oct-15	Sale	(340,270)	(0.02)	16,212,934	1.15
06-Nov-15	Purchase	1,840	0.00	16,214,774	1.15
13-Nov-15	Sale	(121,866)	(0.01)	16,092,908	1.14
20-Nov-15	Purchase	346,027	0.02	16,438,935	1.17
27-Nov-15	Purchase	358	0.00	16,439,293	1.17
04-Dec-15	Purchase	199,449	0.01	16,638,742	1.18
11-Dec-15	Purchase	371,619	0.03	17,010,361	1.21
18-Dec-15	Purchase	1,625	0.00	17,011,986	1.21
25-Dec-15	Purchase	320	0.00	17,012,306	1.21
31-Dec-15	Sale	(40)	(0.00)	17,012,266	1.21
08-Jan-16	Purchase	75,855	0.01	17,088,121	1.22
15-Jan-16	Sale	(140,710)	(0.01)	16,947,411	1.21
22-Jan-16	Sale	(636,921)	(0.05)	16,310,490	1.16
29-Jan-16	Sale	(40,627)	(0.00)	16,269,863	1.16
05-Feb-16	Sale	(920,246)	(0.07)	15,349,617	1.09
12-Feb-16	Purchase	117,559	0.01	15,467,176	1.10
19-Feb-16	Sale	(38,496)	(0.00)	15,428,680	1.10
26-Feb-16	Sale	(449,321)	(0.03)	14,979,359	1.07
04-Mar-16	Sale	(551,166)	(0.04)	14,428,193	1.03
11-Mar-16	Purchase	252,789	0.02	14,680,982	1.04
18-Mar-16	Purchase	1,098,227	0.08	15,779,209	1.12
25-Mar-16	Sale	(34,337)	(0.00)	15,744,872	1.12
31-Mar-16	Sale	(136,217)	(0.01)	15,608,655	1.11
31-Mar-16	Balance at the end of the Year	-	-	15,608,655	1.11

Date	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
<b>LAZARD ASSET MANAGEMENT LLC A/C LAZARD EMERGING MARKETS PORTFOLIO</b>					
<b>1-Jul-15</b>	<b>Opening Balance</b>	<b>8,650,794</b>	<b>0.62</b>	<b>8,650,794</b>	<b>0.62</b>
03-Jul-15		-	-	8,650,794	0.62
28-Aug-15	Sale	(133,336)	(0.01)	8,517,458	0.61
18-Sep-15	Sale	(357,595)	(0.03)	8,159,863	0.58
25-Sep-15	Sale	(210,763)	(0.01)	7,949,100	0.57
06-Nov-15	Sale	(110,985)	(0.01)	7,838,115	0.56
13-Nov-15	Purchase	273,927	0.02	8,112,042	0.58
20-Nov-15	Purchase	886,829	0.06	8,998,871	0.64
27-Nov-15	Purchase	145,679	0.01	9,144,550	0.65
04-Dec-15	Purchase	206,659	0.01	9,351,209	0.67
11-Dec-15	Purchase	885,516	0.06	10,236,725	0.73
18-Dec-15	Purchase	216,986	0.02	10,453,711	0.74
25-Dec-15	Purchase	163,643	0.01	10,617,354	0.76
31-Dec-15	Purchase	60,476	0.00	10,677,830	0.76
08-Jan-16	Purchase	120,548	0.01	10,798,378	0.77
15-Jan-16	Purchase	280,216	0.02	11,078,594	0.79
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>11,078,594</b>	<b>0.79</b>
<b>ABU DHABI INVESTMENT AUTHORITY</b>					
<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>20,067,363</b>	<b>1.43</b>	<b>20,067,363</b>	<b>1.43</b>
03-Jul-15	Purchase	6,500	0.00	20,073,863	1.43
10-Jul-15	Purchase	36,800	0.00	20,110,663	1.43
24-Jul-15	Sale	(294,842)	(0.02)	19,815,821	1.41
31-Jul-15	Sale	(457,935)	(0.03)	19,357,886	1.38
07-Aug-15	Purchase	9,748	0.00	19,367,634	1.38
14-Aug-15	Purchase	126,604	0.01	19,494,238	1.39
21-Aug-15	Sale	(25,124)	(0.00)	19,469,114	1.38
28-Aug-15	Sale	(127,902)	(0.01)	19,341,212	1.38
04-Sep-15	Sale	(267,914)	(0.02)	19,073,298	1.36
11-Sep-15	Sale	(150,000)	(0.01)	18,923,298	1.35
25-Sep-15	Sale	(206,761)	(0.01)	18,716,537	1.33
09-Oct-15	Purchase	162,000	0.01	18,878,537	1.34
6-Nov-15	Purchase	62,168	0.00	18,940,705	1.35
13-Nov-15	Purchase	17,162	0.00	18,957,867	1.35
20-Nov-15	Purchase	18,661	0.00	18,976,528	1.35
27-Nov-15	Sale	(284,273)	(0.02)	18,692,255	1.33
04-Dec-15	Sale	(303,952)	(0.02)	18,388,303	1.31
11-Dec-15	Sale	(122,317)	(0.01)	18,265,986	1.30
18-Dec-15	Purchase	20,551	0.00	18,286,537	1.30
25-Dec-15	Purchase	15,499	0.00	18,302,036	1.30
31-Dec-15	Sale	(158,643)	(0.01)	18,143,393	1.29
08-Jan-16	Sale	(63,000)	(0.00)	18,080,393	1.29

Date	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
15-Jan-16	Sale	(308,552)	(0.02)	17,771,841	1.26
22-Jan-16	Purchase	230,572	0.02	18,002,413	1.28
29-Jan-16	Sale	(100,000)	(0.01)	17,902,413	1.27
05-Feb-16	Purchase	39,516	0.00	17,941,929	1.28
26-Feb-16	Sale	(91,933)	(0.01)	17,849,996	1.27
04-Mar-16	Sale	(15,077)	(0.00)	17,834,919	1.27
11-Mar-16	Purchase	281,500	0.02	18,116,419	1.29
18-Mar-16	Sale	(360,216)	(0.03)	17,756,203	1.26
25-Mar-16	Sale	(4,173)	(0.00)	17,752,030	1.26
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>17,752,030</b>	<b>1.26</b>
<b>LIFE INSURANCE CORPORATION OF INDIA</b>					
<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>15,672,687</b>	<b>1.11</b>	<b>15,672,687</b>	<b>1.11</b>
18-Sep-15	Purchase	225,856	0.02	15,898,543	1.13
30-Sep-15	Purchase	45,849	0.00	15,944,392	1.13
08-Jan-16	Sale	(4,000)	(0.00)	15,940,392	1.13
15-Jan-16	Purchase	227,934	0.02	16,168,326	1.15
22-Jan-16	Purchase	991,842	0.07	17,160,168	1.22
29-Jan-16	Purchase	561,868	0.04	17,722,036	1.26
05-Feb-16	Purchase	30,000	0.00	17,752,036	1.26
12-Feb-16	Purchase	53,350	0.00	17,805,386	1.27
19-Feb-16	Purchase	10,000	0.00	17,815,386	1.27
26-Feb-16	Purchase	20,000	0.00	17,835,386	1.27
04-Mar-16	Purchase	20,000	0.00	17,855,386	1.27
11-Mar-16	Purchase	22,988	0.00	17,878,374	1.27
18-Mar-16	Purchase	99,829	0.01	17,978,203	1.28
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>17,978,203</b>	<b>1.28</b>
<b>GOVERNMENT OF SINGAPORE INVESTMENT CORPORATION</b>					
<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>8,660,049</b>	<b>0.62</b>	<b>8,660,049</b>	<b>0.62</b>
03-Jul-15	Purchase	88,896	0.01	8,748,945	0.62
10-Jul-15	Purchase	134,801	0.01	8,883,746	0.63
24-Jul-15	Purchase	285,451	0.02	9,169,197	0.65
31-Jul-15	Purchase	81,650	0.01	9,250,847	0.66
07-Aug-15	Purchase	202,398	0.01	9,453,245	0.67
14-Aug-15	Purchase	143,064	0.01	9,596,309	0.68
21-Aug-15	Purchase	846,904	0.06	10,443,213	0.74
28-Aug-15	Purchase	412,479	0.03	10,855,692	0.77
04-Sep-15	Purchase	604,422	0.04	11,460,114	0.82
11-Sep-15	Sale	(242,847)	(0.02)	11,217,267	0.80
09-Oct-15	Purchase	314,029	0.02	11,531,296	0.82
16-Oct-15	Purchase	182,930	0.01	11,714,226	0.83
23-Oct-15	Purchase	79,629	0.01	11,793,855	0.84

Date	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
30-Oct-15	Sale	(91,632)	(0.01)	11,702,223	0.83
06-Nov-15	Sale	(962)	(0.00)	11,701,261	0.83
13-Nov-15	Purchase	454,415	0.03	12,155,676	0.86
20-Nov-15	Purchase	4,210	0.00	12,159,886	0.86
04-Dec-15	Sale	(117,572)	(0.01)	12,042,314	0.86
11-Dec-15	Sale	(3,424)	(0.00)	12,038,890	0.86
18-Dec-15	Purchase	24,527	0.00	12,063,417	0.86
31-Dec-15	Sale	(44,580)	(0.00)	12,018,837	0.85
08-Jan-16	Purchase	141,598	0.01	12,160,435	0.86
15-Jan-16	Sale	(8,266)	(0.00)	12,152,169	0.86
22-Jan-16	Purchase	113	0.00	12,152,282	0.86
29-Jan-16	Purchase	177,308	0.01	12,329,590	0.88
05-Feb-16	Purchase	599,754	0.04	12,929,344	0.92
12-Feb-16	Purchase	161,696	0.01	13,091,040	0.93
19-Feb-16	Purchase	81,891	0.01	13,172,931	0.94
26-Feb-16	Purchase	47,906	0.00	13,220,837	0.94
04-Mar-16	Purchase	517	0.00	13,221,354	0.94
11-Mar-16	Sale	(5,449)	(0.00)	13,215,905	0.94
18-Mar-16	Purchase	17,147	0.00	13,233,052	0.94
31-Mar-16	Purchase	82,567	0.01	13,315,619	0.95
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>13,315,619</b>	<b>0.95</b>

**VIRTUS EMERGING MARKETS OPPORTUNITIES FUND**

<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>10,952,150</b>	<b>0.78</b>	<b>10,952,150</b>	<b>0.78</b>
08-Jan-16	Sale	(461,289)	(0.03)	10,490,861	0.75
15-Jan-16	Sale	(56,934)	(0.00)	10,433,927	0.74
22-Jan-16	Sale	(324,000)	(0.02)	10,109,927	0.72
29-Jan-16	Sale	(231,800)	(0.02)	9,878,127	0.70
11-Mar-16	Sale	(1,922,640)	(0.14)	7,955,487	0.57
18-Mar-16	Sale	(349,631)	(0.02)	7,605,856	0.54
25-Mar-16	Sale	(204,700)	(0.01)	7,401,156	0.53
31-Mar-16	Sale	(184,700)	(0.01)	7,216,456	0.51
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>7,216,456</b>	<b>0.51</b>

**RELIANCE CAPITAL TRUSTEE CO LTD**

<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>11,690,802</b>	<b>0.83</b>	<b>11,690,802</b>	<b>0.83</b>
03-Jul-15	Purchase	5,703	0.00	11,696,505	0.83
10-Jul-15	Purchase	741	0.00	11,697,246	0.83
17-Jul-15	Sale	(5)	(0.00)	11,697,241	0.83
24-Jul-15	Sale	(14)	(0.00)	11,697,227	0.83
31-Jul-15	Sale	(5,009)	(0.00)	11,692,218	0.83
07-Aug-15	Sale	(13,553)	(0.00)	11,678,665	0.83
14-Aug-15	Sale	(49,836)	(0.00)	11,628,829	0.83
21-Aug-15	Sale	(236)	(0.00)	11,628,593	0.83
28-Aug-15	Purchase	183,081	0.01	11,811,674	0.84
04-Sep-15	Purchase	60,697	0.00	11,872,371	0.84

Date	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
11-Sep-15	Purchase	853	0.00	11,873,224	0.84
18-Sep-15	Purchase	100,422	0.01	11,973,646	0.85
25-Sep-15	Sale	(815)	(0.00)	11,972,831	0.85
30-Sep-15	Purchase	37,335	0.00	12,010,166	0.85
09-Oct-15	Purchase	628,482	0.04	12,638,648	0.90
16-Oct-15	Purchase	487,446	0.03	13,126,094	0.93
23-Oct-15	Purchase	95,090	0.01	13,221,184	0.94
30-Oct-15	Sale	(5,625)	(0.00)	13,215,559	0.94
06-Nov-15	Sale	(4,000)	(0.00)	13,211,559	0.94
13-Nov-15	Sale	(5,859)	(0.00)	13,205,700	0.94
20-Nov-15	Purchase	117,099	0.01	13,322,799	0.95
27-Nov-15	Purchase	297	0.00	13,323,096	0.95
04-Dec-15	Sale	(191)	(0.00)	13,322,905	0.95
11-Dec-15	Purchase	100,433	0.01	13,423,338	0.95
18-Dec-15	Sale	(5,856)	(0.00)	13,417,482	0.95
25-Dec-15	Purchase	49	0.00	13,417,531	0.95
31-Dec-15	Sale	(46)	(0.00)	13,417,485	0.95
08-Jan-16	Purchase	79,961	0.01	13,497,446	0.96
15-Jan-16	Purchase	12,461	0.00	13,509,907	0.96
22-Jan-16	Purchase	270,290	0.02	13,780,197	0.98
29-Jan-16	Purchase	182,097	0.01	13,962,294	0.99
05-Feb-16	Sale	(70,000)	(0.00)	13,892,294	0.99
12-Feb-16	Purchase	83	0.00	13,892,377	0.99
19-Feb-16	Sale	(179,782)	(0.01)	13,712,595	0.98
26-Feb-16	Purchase	215,000	0.02	13,927,595	0.99
04-Mar-16	Sale	(71,629)	(0.01)	13,855,966	0.99
11-Mar-16	Purchase	595,808	0.04	14,451,774	1.03
18-Mar-16	Sale	(186,000)	(0.01)	14,265,774	1.01
25-Mar-16	Sale	(52)	(0.00)	14,265,722	1.01
31-Mar-16	Sale	(361,676)	(0.03)	13,904,046	0.99
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>13,904,046</b>	<b>0.99</b>

**VANGUARD EMERGING MARKETS STOCK INDEX FUND**

<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>9,650,282</b>	<b>0.69</b>	<b>9,650,282</b>	<b>0.69</b>
24-Jul-15	Purchase	59,592	0.00	9,709,874	0.69
14-Aug-15	Sale	(27,975)	(0.00)	9,681,899	0.69
21-Aug-15	Sale	(67,140)	(0.00)	9,614,759	0.68
28-Aug-15	Sale	(130,923)	(0.01)	9,483,836	0.67
04-Sep-15	Sale	(179,040)	(0.01)	9,304,796	0.66
11-Sep-15	Sale	(93,996)	(0.01)	9,210,800	0.66
25-Sep-15	Sale	(27,450)	(0.00)	9,183,350	0.65
30-Sep-15	Sale	(71,744)	(0.01)	9,111,606	0.65
30-Oct-15	Sale	(65,309)	(0.00)	9,046,297	0.64
06-Nov-15	Sale	(21,023)	(0.00)	9,025,274	0.64
20-Nov-15	Sale	(70,890)	(0.01)	8,954,384	0.64
27-Nov-15	Sale	(16,541)	(0.00)	8,937,843	0.64



Date	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
04-Dec-15	Sale	(60,491)	(0.00)	8,877,352	0.63
18-Dec-15	Sale	(65,409)	(0.00)	8,811,943	0.63
25-Dec-15	Sale	(71,397)	(0.01)	8,740,546	0.62
31-Dec-15	Sale	(32,699)	(0.00)	8,707,847	0.62
15-Jan-16	Sale	(56,693)	(0.00)	8,651,154	0.62
22-Jan-16	Sale	(54,165)	(0.00)	8,596,989	0.61
29-Jan-16	Sale	(38,091)	(0.00)	8,558,898	0.61
05-Feb-16	Sale	(112,558)	(0.01)	8,446,340	0.60
12-Feb-16	Sale	(39,795)	(0.00)	8,406,545	0.60
26-Feb-16	Sale	(72,974)	(0.01)	8,333,571	0.59
04-Mar-16	Sale	(78,680)	(0.01)	8,254,891	0.59
11-Mar-16	Purchase	22,160	0.00	8,277,051	0.59
18-Mar-16	Sale	(31,739)	(0.00)	8,245,312	0.59
25-Mar-16	Sale	(51,507)	(0.00)	8,193,805	0.58
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>8,193,805</b>	<b>0.58</b>
<b>FRANKLIN TEMPLETON INVESTMENT FUNDS</b>					
<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>11,170,000</b>	<b>0.79</b>	<b>11,170,000</b>	<b>0.79</b>
11-Sep-15	Sale	(839,200)	(0.06)	10,330,800	0.73
18-Sep-15	Sale	(450,800)	(0.03)	9,880,000	0.70
16-Oct-15	Purchase	1,050,000	0.07	10,930,000	0.78
11-Mar-16	Sale	(36,384)	(0.00)	10,893,616	0.77
18-Mar-16	Sale	(336,034)	(0.02)	10,557,582	0.75
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>10,557,582</b>	<b>0.75</b>
<b>VONTOBEL FUND</b>					
<b>01-Jul-15</b>	<b>Opening Balance</b>	<b>8,621,755</b>	<b>0.61</b>	<b>8,621,755</b>	<b>0.61</b>
31-Jul-15	Sale	(63,921)	(0.00)	8,557,834	0.61
07-Aug-15	Sale	(9,487)	(0.00)	8,548,347	0.61
21-Aug-15	Sale	(267,420)	(0.02)	8,280,927	0.59
28-Aug-15	Sale	(10,000)	(0.00)	8,270,927	0.59
04-Sep-15	Sale	(288,500)	(0.02)	7,982,427	0.57
04-Dec-15	Sale	(531,629)	(0.04)	7,450,798	0.53
11-Dec-15	Sale	(236,471)	(0.02)	7,214,327	0.51
18-Dec-15	Sale	(49,200)	(0.00)	7,165,127	0.51
22-Jan-16	Sale	(168,500)	(0.01)	6,996,627	0.50
26-Feb-16	Purchase	27,864	0.00	7,024,491	0.50
11-Mar-16	Sale	(1,004,173)	(0.07)	6,020,318	0.43
18-Mar-16	Sale	(124,480)	(0.01)	5,895,838	0.42
31-Mar-16	Sale	(131,600)	(0.01)	5,764,238	0.41
<b>31-Mar-16</b>	<b>Balance at the end of the Year</b>	<b>-</b>	<b>-</b>	<b>5,764,238</b>	<b>0.41</b>

Note: 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.

## ANNEXURE-3 TO THE DIRECTORS' REPORT

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act 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, 2016, 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 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 the sales and marketing 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 HCL America Inc. during the period from July 1, 2015 to March 31, 2016 is Rs. 5,363.38 crores.

(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

Place: Noida (U.P.), India  
Date : April 28, 2016

**SHIV NADAR**  
Chairman and Chief Strategy Officer

## 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 and Health. Details of the CSR policy are on the website of the Company at <http://www.hcltech.com/about-us/corporate-governance/governance-policies>

2. The composition of the CSR Committee.

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

3. Average net profit of the company for last three financial years. ₹ 6,106.44 crores

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) ₹ 122.13 crores

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year: ₹ 122.13 crores

(b) Amount unspent, if any; ₹ 111.61 crores

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

Sl. No.	CSR Project or activity identified - NGO Partner/ Direct implementation	Sector in which which Project is covered	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 (₹ /lacs)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ /Lacs)	Cumulative expenditure upto the reporting period (₹ /Lacs)	Amount spent: Direct or through implementing agency (₹ /Lacs)
1	Kochi Biennele Foundation	Arts and culture	Cochin	54.20	54.20	54.20	Implementing agency
2	Lakshmi Associates	Enhancing vocation skills for women	Chennai	1.15	1.15	1.15	Implementing agency
3	Banyan, SHEOWS, Desire society, SIP Memorial trust, Community health education society	Health care and medical facilities	Chennai, Noida, Delhi, Hyderabad, Chennai	20.50	19.98	19.98	Implementing agency
4	Going to school, Reaching hand, Community Aid sponsorship programme, Rural development council, Southern India Multiple Districts Lions Quest Foundation, Saksham trust, Tumkur science center, Hope Foundation, United way of chennai, Mukti rehabilitation center, APR Charitable trust	Improving the quality of education	Bihar, Uttar Pradesh, Bangalore, Noida, Delhi, Krishangiri, Chennai, Tumkur, Kolkata	209.23	209.23	209.23	Implementing agency
5	Aide et action, Sahyog care Through HCL Foundation for you, Ramakrishna mission students home, After school coaching centers, skill development training, IT Labs, health care and sanitation	Improving the quality of education and livelihood enhancement programme	Chennai, Noida, Bangalore, Madurai, Lucknow, Delhi, Hyderabad, Kolkata	331.00	324.85	324.85	Implementing agency,
6	EFRAH	Livelihood enhancement programme	Delhi, Noida	27.82	27.82	27.82	Implementing agency
7	V-SHESH	Livelihood enhancement programme for differently abled	Chennai, Delhi, Noida	4.28	4.28	4.28	Implementing agency
8	Cancer Insitute, Chennai	Promoting preventive health care	Chennai	5.30	5.30	5.30	Implementing agency
9	Project Samuday	Rural Development	Uttar Pradesh	1,336.00	578.24	578.24	Through HCL Foundation
10	Overhead expenses	Administration expenses		12.00	11.52	11.52	Through HCL Foundation
		<b>Grand total</b>		<b>2,001.48</b>	<b>1,236.57</b>	<b>1,236.57</b>	

\* 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 ₹ 1051.80 lacs for CSR activities. The Trust also collected contribution from others to the extent of ₹ 160.45 lacs. The Cash/ other advance balances as on July 1, 2015, and March 31, 2016 with HCL Foundation were ₹ 71.49 lacs and ₹ 47.17 lacs respectively. In addition, the Company also contributed ₹ 252.20 lacs for disaster relief for Chennai floods.

6. Since the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company provides the below reasons for not spending the amount.

The Company has approached the mandatory requirements of CSR spend positively by utilizing the reporting year to lay a foundation on which to build and scale future projects and partnerships for CSR activities. The Company has primarily identified four main segments: education, healthcare, community, art and culture, and rural development for CSR expenditure and has developed its own model to bring an optimal social impact. During the year, the Company has spent ₹ 1,051.80 lacs on its CSR activities. The projects undertaken by the Company were of long gestation period thus resulting in lesser utilization of earmarked budget for the current financial year. Your Company is in continuous process of evaluating strategic avenues for CSR expenditure. As a socially responsible company, your Company is committed to increase its CSR impact over the coming years, with its aim of playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives.

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.

**Anant Gupta**

President and Chief Executive Officer

**Shiv Nadar**

Chairman, Corporate Social Responsibility Committee

Place: Noida, U.P., India

Date: April 28, 2016

## 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

#### Green IT

In our continued endeavor to build a balanced ecosystem and maintain a cohesive relationship with the environment, our key initiatives are designed to conserve the environment and also grow our ongoing GREEN initiatives to sustain the move towards GREEN IT, across the world. The Company has strengthened its approach during the year to provide energy efficient solutions for our day-to-day operations, recycle electronic products, manage e-waste disposal responsibly and focus on server virtualization and consolidation to reduce energy consumption and reduce carbon footprint.

#### Building Infrastructure

While designing the buildings, employee comfort aspects as well as green infrastructure requirements are considered, and synergy in the construction efforts is ensured. The operations of your Company are less energy intensive than industries in the manufacturing sector. However, some key initiatives have been embarked to reduce power consumption and water usage such as:

- Roof Top Solar power Generation through Solar panels
- Solar water heater at Café terraces for water requirements in the kitchen and in the shower rooms in the gymnasiums and nap rooms in Chennai and Bangalore campus
- Underground Rainwater storage tank of 75,000 ltrs capacity put in operation in Chennai and Bangalore campus
- Generation of water through reverse osmosis for campus drinking water requirement and kitchen requirement
- Open Recharge ponds and wells created to supplement ground water
- Installing reliable meters that provide information about and help control water, heating, gas and electricity usage.
- Designing and selecting the HVAC (heating, ventilation and air conditioning) system and lighting equipment to maximize energy performance.
- Installing energy efficient light fixtures (LEDs, T-5 ballasts, and compact fluorescents).
- Day lighting sensors that can dim and/or turn off lighting if sufficient daylight is present. Occupancy sensors help control lighting in areas where occupancy is more intermittent (like washrooms, storage spaces, janitor rooms, etc.) to ensure lights are not left on unnecessarily.
- Energy efficient appliances (Energy Star photocopiers, printers, fax machines, computers, etc.) with embedded sleep mode.
- LCD computer screens with dual energy savings - they use 1/3 less energy in operations than CRT monitors and produce less heat, resulting in reduced cooling needs.
- Aerators for water taps for water optimization.
- High efficiency UPS have been installed to reduce energy loss.
- Purchase of green power (Hydro Power) from Third Party through open access.
- Improving energy efficiency of existing Chillers and AHU.
- Sewer treatment plant (STP) is installed within campus to treat the sewer water and reuse for flushing, landscaping and HVAC make up water.

#### Carbon Footprint measurement

Manage Carbon, an IT solution around GHG Protocol for corporate standard, was developed and deployed for measuring and reporting carbon emissions. The technologies used in the solution are primarily open-source technologies to keep a low cost footprint. It integrates with various other enterprise applications containing electricity data, travel data, fuel data etc., using multiple approaches ranging from database level integration to web services based integration (both push and pull modes), in addition to providing options for direct entry of information. This tool has been successfully piloted and helped the Company to monitor and report on carbon emissions.

This initiative by the Company has earned the recognition by CDP (Carbon Disclosure Project) which is an international climate reporting initiative by WWF (World Wide Fund for Nature). Your Company also participates in the Carbon Disclosure Project and furnishes its figures in the report every year.

- Employee travel has been reduced by introducing a "check box" in the travel application to encourage video conferencing capability, Telepresence and reduce negative impact on environment.

- Technology upgrade and refresh for machines (desktops/laptops) to PBX or server consolidations via SIP recording for multiple locations has been done during the year. We have undertaken consolidation of the office buildings and moved them. Also we have consolidated four of the critical data centers into existing premises, thus reducing multiple carbon footprints.
- Accumulating and disposing e-waste is an important greenhouse effect and we are setting up processes for the same. In this year, assets have been disposed under e-waste and large area has been vacated for reuse.
- The EHS (Employee, Health and Safety) department has digitized employee records. An enterprise level content and records management system has been implemented to ingest documents received through different input channels like physical documents, documents and forms existing in different applications and already digitized documents originating from emails, office productivity tools like MS-Office.
- An online paperless claims process has been set up for employees travel, flexi payments etc. This also reduces the cycle time of claim process and increases employee satisfaction.
- Business applications are being moved to best-in-class SaaS providers (Kenexa, SFDC, SAP Success Factor).

**b) Research and Development ("R& D")****(i) Specific areas in which R&D was carried out**

Your Company is carrying out R&D on:

- Automation of product level testing using Robotics.
- Automation of Multimedia testing using audio and video.
- Automation of Platform independent automation testing using mouse and keyboard simulations.
- Developed IOT (Internet of Things) proof of concepts covering innovative use cases like Smart Industrial Helmet, Smart Post Box, Smart Surgical kit. Some of these were showcased in global events like Mobile World Congress, IOT world Congress etc. and got lot of acceptance from customers.
- Developed a solution for IOT enabling of relatively non intelligent devices. It's a very low power, cost effective, highly portable solution to add compute, storage, connectivity, security and sensing in existing devices / appliances to make them smart and IOT enabled.
- On methods to optimize different lifecycle processes through data analytics using machine learning, natural language processing, optimization, forecasting and other data mining algorithms.
- Assessment of OpenStack as the Virtual Network Function Infrastructure (VNF).
- Probe-less Radio Network Analytics.
- Load/Stress testing of IoT Gateways / Data Synchronization Servers.
- Technical feasibility of leveraging Low-power WAN technologies (LoRA) for constrained devices to communicate with Gateways.
- Frameworks to address the challenges faced by enterprises in testing all types of applications like mobile, web, desktop, APIs etc. in the areas of distributed testing of devices spread across geographies, concurrent testing of applications on in private and public cloud environments.
- Methods and frameworks to generate platforms that connect IoT to the cloud and allow generation of business applications to be built on top of the aggregated data.
- Health care platforms that connect medical devices and enable care workflows to be built and disease management to be done.

**(ii) Benefits derived as a result of above R&D**

- Customer projects initiated in several new technology areas.
- Usage of IP to accelerate customer projects.
- Multiple patents filed.
- Pilots with Telco & Network gear OEMs on OpenStack based NFV/private cloud solutions assessment.
- Won mindshare & appreciation from R&D, Engineering leaders in Client conversations furthering the case for engaging HCL services in these emerging technology domains.
- Significant margin improvements with high value services.
- Custom stickiness that can generate long term revenue.

**(iii) Future plan of action**

Your Company plans following actions in the future:

- Reduction of testing effort in application testing across various platforms like Windows, MAC, Linux, etc.
- Automated script generation for embedded systems.
- Automated Unit testing to reduce development time effort.
- Simulation testing of environmental parameters.
- Work on new analytical use cases to optimize lifecycle such as capacity planning and knowledge extraction, management and utilization, define the ontology of people, market, product-feature, and testing. Strengthen current data extraction, transformation and mapping methods, workflow easy deployment and models.
- Comprehensive Assessment framework for OpenStack based NFV/private cloud solutions.
- Maturing the Probe-less Network Analytics pilot to a patented solution & full-fledged service offering covering predictive analytics use cases.
- A framework for Communication Paradigm / protocol selection for IoT Sensors-gateways based on multiple constraints.
- R&D on Mobile Edge Computing (MEC), a pilot on MEC use cases leveraging HCL Analytics Frameworks.
- Develop framework for automated generation of test scripts to accelerate test automation.

**(iv) Expenditure on R&D for the years ended March 31, 2016 and June 30, 2015 are as follows:**

(₹ in crores)

Particulars	Year ended	
	March 31, 2016 (Nine months)	June 30, 2015 (Twelve months)
Revenue expenditure	102.62	181.77
Capital expenditure	-	-
<b>Total R&amp;D expenditure</b>	<b>102.62</b>	<b>181.77</b>
<b>R&amp;D expenditure as a percentage of revenues</b>	<b>0.76%</b>	<b>1.06%</b>

**c) Technology absorption, adaptation and innovation**

Your Company's core business demands adoption of emerging technologies to stay ahead of competition. Your Company has made significant investments in area of Digital Transformation which is building persona based Digital Solutions in the area of Digital Applications, Analytics and Digital Workplace of the future. Your Company is also enhancing experience on core services through a program called 'Foundation for Digital'.

The nexus of emerging technologies like Social, Mobile, Analytics and Cloud is in line with market needs to stay relevant to its customers. Our Digital Systems Integration (DSI) strategy to transform legacy traditional organization to a Digitized Corporation has been well received by the market place.

Your Company has built Digital Solutions to bring Operational efficiencies and reduce cycle time in the area of Talent Management and Development, Talent Supply Chain Optimization and increase collaboration to foster innovation.

Technology absorption at HCL

Your Company is in a multi-year IT transformation journey centered around the following key themes:

1. A comprehensive Best-in-class Digital Strategy which is a benchmark for the customers.
2. Standardization of Processes, Applications and Business Metrics to run the business. This includes elimination of line of business (LOB) specific solutions wherever applicable.
3. Adoption of nexus of SMAC forces to solve persona specific enterprise use cases.
4. Resilient, Secure and Highly Available IT Infrastructure.

Enterprise application landscape in the Company has more than 150+ closely integrated applications centrally hosted in multiple data centers and a backend SAP platform. As part of the strategic agenda, your Company is driving transformation in its key business processes to impact business productivity and performance. Over last couple of years, the Company has taken a huge simplification drive to rationalize its IT Application landscape and adopted SaaS model to move these application footprints to Cloud to drive business agility and scalable deployment while assimilating industry best practices and innovations in the process.

### Platforms of Competitive Differentiation

Your Company has also made significant investments in the area of Talent Supply Chain Optimization, Employee Goals and Performance Management, Onboarding and Learning Management Systems. The opportunity management to revenue forecasting tools are further reengineered to provide business insights for entire 'Deal to Book to Bill' management. Your Company has also adopted learning and search automation tools to re-envisage talent fulfillment processes.

Sales Transformation is driven through a Digital Platform called 'Merlin' enabled with integrated State of art Systems, Analytics and Workplace of the Future capabilities with persona specific simplified user experience to drive higher productivity and performance.

Digital Marketing Solutions are rolled out across LOBs to track campaign and lead management effectively and integrated with opportunity management.

New data visualization self-service solution is rolled out for enabling actionable insights capabilities for senior management.

### Digital@HCL

Your company has started an integrated program to drive end user and team productivity and enhance experience with a digital workplace of the future leveraging relevant technology footprints that ensure collaborative employee engagement and insightful contribution towards enrichment of business processes, capabilities and collaboration. Various persona specific enterprise asks were identified through detailed discovery sessions and solution tracks were formed to provide comprehensive solution touch points encompassing process, workplace and analytics capability interventions for Sales, Delivery and Customer Persona.

### HCL Go-Mobile! program

A major part of employee transactions are mobile enabled now. Currently most of the Company's workforce actively uses the internal mobile apps to conduct business while "On-The-Go". These apps are developed around employee approvals, transactions and analytics. Mobile device management and application management layers are also deployed. This deployment has garnered us recognition from both our clients and external agencies.

### Cloud Adoption

Your Company is increasingly moving to Cloud IaaS (Infrastructure as a Service) for both internal Corporate and Customer Delivery needs and moved away from investing in dedicated infrastructure. This has also resulted into reduced cycle times and higher utilization of infrastructure resources. Several proofs of concepts are done to move more workloads on multiple Public cloud offering in Hybrid cloud implementation setup. Your Company has also adopted O365 for moving email to the cloud for majority of employee mailboxes with disaster recovery and archival capabilities. New workloads/capabilities of O365 suite for personal productivity is being rolled out to various evangelist groups.

### Improved Resilience and Security posture

Your Company has further strengthened the IT base line controls in its environment with tight sustenance targets around disk encryption, Data Leak Prevention, Operating System and antivirus patch updates. All shared infrastructure and isolated instances are reviewed and responsibility for controls and compliances is established. Moreover, security posture is further improved with investments in adaptive authentication, Wireless IPS and elimination of Single Point of Failures (SPOFs). Critical Delivery sites are enabled with next generation security infrastructure like Distributed Denial of Services (DDoS), web and endpoint protection against advance persistent threats etc.

All traditional telephony infrastructures are migrated to Global IP Trunk Services (GIS) platform. With implementation of GIS services in the Company, calls from anywhere on the Globe can be collected and transported to the desired delivery locations over the Company's MPLS Cloud and there is a complete redundancy in call collection layer in case of disaster situation. All legacy IT telephony infrastructure has already been modernized to IP based technology. Your Company has also completed its MPLS transformation at the network layer and consolidated the domestic MPLS and internet gateway. Network architecture is redesigned at key campus location to avoid entire building isolation in critical failure scenarios.

### Virtualization and consolidation

Your Company has augmented its internal private cloud capacity. Currently Virtual Machines are provisioned in active mode and any new workload requirement is being provisioned following 'Cloud First' strategy. Public cloud offerings are seamlessly provisioned from integrated cloud portal. Enterprise storage landscape is being consolidated at hub locations. Internally, the Company offers different VDI configuration to cater to diverse engagement needs. All new requirements for end user computing (including growth and refresh) is being managed effectively by Virtual Desktops.

### Collaboration

Edna-The Experts Discovery, Nurture and Actualize Program is a Microsoft Lync enabled instant messaging service to unlock knowledge and simplifying information exchange with experts in different technologies or with specific domain knowledge. The Company's employees seamlessly collaborate in real time with 9000+ experts 24/7 making it the most sought after high priority change management channel in the organization.



Over the last five years, Good Practice Conference (GPC) has emerged as a primary platform for knowledge building and sharing of most adoptable Good Practices. This year, your Company has seen a tremendous increase in best practices submissions with significant contributions in the area of innovation and continuous improvement.

#### Risk and Compliance

Your Company has made significant investments in the area of Operational risk management, DR/BCP, Privacy, Export Compliance, and Third party risk management in establishing new policies, frameworks, and people capabilities.

The company has robust backbone architecture which was tested during the Chennai Crisis. During the Chennai crisis, your company was quickly able to resume operations by building 6000 new seats across 200+ projects. Few third party sites and already closed HCL sites were made operational. Parallel email and Lync setup were moved to alternative sites as per architecture design and restored back afterwards. Chennai campus was restored and various Labs and customer setup was moved back, once the flood situation subsided.

Agility of application team was also tested and multiple employee centric and BCP specific application were launched in no time. Employees reported their safety status via Safety First mobile application and the employee whereabouts was tracked using Employee Assistance tool. Relocation tool was used to facilitate BCP operations, enabling and tracking movements.

#### **d) Foreign Exchange Earnings and Outgo**

Your Company is an export-oriented unit and the majority of the Information Technology and Business Process Outsourcing services by the Company are for clients outside India.

#### **Activities relating to exports, initiatives taken to increase the exports, development of new export markets for products and services and export plans-**

During the year, a substantial portion of the revenue of the Company was derived from the exports. During the year, your Company has set up 6 step down subsidiaries across the globe to enhance its business. The various global offices of the Company are staffed with sales and marketing specialists, who promote and sell services to large international clients.

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

(₹ in crores)

Particulars	Year ended	
	March 31, 2016 (Nine months)	June 30, 2015 (Twelve months)
<b>Foreign exchange earnings</b>	<b>11,625.13</b>	<b>14,684.51</b>
<b>Foreign exchange outgo</b>		
- Expenditure in foreign currency	1,236.42	1,535.76
- CIF value of imports		
capital goods	95.14	142.75
others	70.67	58.28
- Dividend remitted in foreign currency	383.82	407.78
	<b>1,786.05</b>	<b>2,144.57</b>

For and on behalf of the Board of Directors

Place: Noida (U.P.), India  
Date : April 28, 2016

**SHIV NADAR**  
Chairman and Chief Strategy Officer

## 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, 2016 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 the historical cost convention, as a going concern and on the accrual 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

Place: Noida (U.P.), India  
Date : April 28, 2016

**SHIV NADAR**  
Chairman and Chief Strategy Officer

## ANNEXURE-7 TO THE DIRECTORS' REPORT

### DETAILS ON STOCK OPTION PLANS

#### 1999 Stock Option Plan / 2000 Stock Option Plan / 2004 Stock Option Plan

Pursuant to the approval of the shareholders, your Company had instituted the 1999 Stock Option Plan ("1999 Plan"), 2000 Stock Options Plan ("2000 Plan") and 2004 Stock Option Plan ("2004 Plan") for all eligible employees of the Company and its subsidiaries. The 1999 Plan, 2000 Plan and 2004 Plan are administered by the Compensation Committee of the Board and provide for the issuance of 20,000,000; 15,000,000 and 20,000,000 options, respectively.

Each option granted under the 1999 Plan, 2000 Plan and 2004 Plan, entitles the holder to four equity shares of the company. The Company issued bonus shares in the proportion of one equity share of ₹2 held by the equity shareholders of the Company on a record date of March 20, 2015. Post this, the entitlement of the Stock Option holders increased to 8 equity shares of ₹2 each against each option exercised.

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

S.No.	Description	1999 Plan	2000 Plan	2004 Plan
1.	Total number of options granted (gross)	26,600,874	17,747,401	8,424,132
2.	The pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
3.	Number of options vested	17,529,862	10,466,138	5,820,927
4.	Number of options exercised	13,957,786	7,470,809	5,430,739
5.	Total number of shares arising as a result of exercise of options	<b>111,662,288</b>	<b>59,766,472</b>	<b>43,445,912</b>
6.	Number of options lapsed & forfeited	12,643,088	10,276,592	2,533,246
7.	Variation in terms of options	None	None	None
8.	Money realized by exercise of options (₹ crores)	<b>516.19</b>	<b>434.43</b>	<b>13.97</b>
9.	<b>Total number of options in force as on March 31, 2016</b>	-	-	<b>460,147</b>
10.	Grant to Senior Management			
	Number of Options	<b>1,967,175</b>	<b>254,904</b>	<b>2,987,600</b>
	Vesting Period	<b>110 Months</b>	<b>104 Months</b>	<b>96 Months</b>

The diluted earnings per share were ₹ 33.54 and ₹ 44.91 for the fiscal years ended March 31, 2016 and June 30, 2015 respectively.

**ANNEXURE-7 TO THE DIRECTORS' REPORT (Contd...)**
**Details of Stock Option Plans for the year ended March 31, 2016**

<b>Particulars</b>	<b>1999 Plan</b>	<b>2000 Plan</b>	<b>2004 Plan</b>
Total number of options outstanding as on July 1, 2015	-	-	<b>1,027,279</b>
Number of options granted during the year	-	-	-
Pricing formula	Market price / internal valuation	Market price	Market price / price determined by Compensation Committee
Number of options vested during the year	-	-	651,502
Number of options exercised during the year	-	-	550,362
Total number of shares arising as a result of exercise of options during the year	-	-	4,402,896
Number of options lapsed & forfeited during the year	-	-	16,770
Variation in terms of options	None	None	None
Money realised by exercise of options during the year (₹ crores) (includes issued through Trust)	-	-	0.88
<b>Total number of options in force as on March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>460,147</b>
Employees granted options equal to 5% or more of the total number of options granted during the year	None	None	None
Employees granted options equal to or exceeding 1% of the issued capital during the year	None	None	None
Fair value compensation cost for options granted (₹ crores)	N.A.	N.A.	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.
<b>Method and significant assumptions used during the year to estimate the fair values of options</b>			
<b>Method</b>	Black-schole	Black-schole	Black-schole
<b>Significant assumptions</b>			
Risk free interest rate	7.80%	7.80%	7.80%
Expected life	upto 56 months	upto 56 months	upto 56 months
Expected Volatility	30.80%	30.80%	30.80%
Expected Dividend	2.02%	2.02%	2.02%
The price of the underlying options in market at the time of grant (₹)	N.A.	N.A.	N.A.

**ANNEXURE-7 TO THE DIRECTORS' REPORT (Contd...)**
**Pre IPO Details of Stock Option Plan**

Particulars	As on 31 <sup>st</sup> March, 2016 ESOP 1999 Plan
Number of options granted pre IPO	14,223,832
Pricing formula	Internal valuation
Number of options vested	11,648,957
Number of options exercised	10,234,702
Total number of shares arising as a result of exercise of options	40,938,808
Number of options lapsed	3,989,130
Variation in terms of options	None
Money realised by exercise of options (₹ crores)	259.41
<b>Total number of options in force as on March 31, 2016</b>	<b>-</b>
Fair value compensation cost for options granted (₹ crores)	43.96
Weighted average exercise price of options granted (₹)	255.00
Weighted average fair value of options granted (₹)	36.65
Method used to estimate the fair values of options	Black-Scholes Method
<b>Significant assumptions</b>	
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 31 <sup>st</sup> March 2016
	(₹ Crores)
Net income, as reported	4,733.68
Add: Stock-based employee compensation expense included in reported net income	4.87
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	4.57
<b>Proforma net income</b>	<b>4,733.98</b>
Earnings per share	₹
As reported - Basic	33.62
- Diluted	33.54
Adjusted pro forma - Basic	33.63
- Diluted	33.54
<b>Method and significant assumptions used during the year estimate the fair values of options</b>	Black-Scholes Method
<b>Significant assumptions</b>	
Dividend yield %	2.02%
Expected life	upto 56 months
Risk free interest rates	7.80%
Volatility	30.80%

**ANNEXURE-7 TO THE DIRECTORS' REPORT (Contd...)**

<b>Details of options granted to Senior Managerial Personnel (including Key Managerial Personnel) of the Company during the year ended March 31, 2016</b>
None

<b>Details of options granted to employees amounting to 5% or more of the options granted during the year ended March 31, 2016</b>
None

<b>Details of options granted to employees during the year ended March 31, 2016, amounting to 1% or more of the issued capital of the company at the time of the grant</b>
None

For and on behalf of the Board of Directors

Place: Noida (U.P.), India  
Date : April 28, 2016

**SHIV NADAR**  
Chairman and Chief Strategy Officer

**ANNEXURE-8 TO THE DIRECTORS' REPORT**  
**Information for Director's Report under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
**A. EMPLOYED FOR FULL FINANCIAL YEAR 2015-16**

S. No.	Name	Age (in years)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
1.	Ajit Krishnankutty Kumar	52	President - Systems Integration & Appln. Delivery	MBA - Marketing	31,898,801	01.07.2013	28	Accenture Services Pvt. Ltd.	Managing Director	Jun.88
2.	Amit Roy	57	Executive Vice President - Taxation	CA	11,621,776	16.07.2007	31	Samsung India Electronics Pvt.Ltd.	Vice President - Taxation	Sep.06
3.	Amitava Sengupta	46	Vice President	M.Tech - Computer Science	6,140,888	26.10.2009	22	Tata Consultancy Services Ltd.	Sr. Consultant / IOU Head	Apr.94
4.	Anand Rajaganesan	43	Senior Vice President	MBA - Personnel Management & Industrial Relations	6,021,876	01.02.2010	18	Bharti Airtel Ltd.	General Manager - Talent Management & Organisation Effectiveness	Oct.09
5.	Anant Gupta	51	President & Chief Executive Officer	M.Sc. (Engineering)	381,944,266	25.07.2012	28	HCL Comnet Systems & Services Ltd.	President	Nov.93
6.	Anil Kumar Chanana	58	Chief Financial Officer	CA	34,616,211	01.10.1998	35	HCL Technologies America Inc.	Executive Vice President	Dec.85
7.	Anjan Kumar Mukherjee	41	Vice President	MCA	9,408,786	01.11.1999	20	Asmocons Internet Services	Web Designer & Developer	Dec.97
8.	Anup Dutt	57	Executive Vice President	B.Tech - Electrical, M.Tech-Electrical	16,849,649	01.07.1996	35	HCL Hewlett Packard Ltd.	Senior Manager	Jul.87
9.	Apparao V V	54	Executive Vice President	B.Tech, M.Tech	8,240,194	10.03.2003	32	Ascend Technologies Ltd.	Director/Center Head	Aug.96
10.	Aparva Chamarla	37	Vice President	MBA - Marketing	5,653,182	30.08.2005	15	Ranbaxy Laboratories Ltd.	Manager - Marketing	Jun.03
11.	Ashok Radhakrishnan	55	Senior Vice President	MBA - Strategy Management	24,275,759	10.10.2013	16	ISG Novasoft Technologies Ltd.	COO	Aug.07
12.	Atul Kumar Jain	53	Vice President-Finance	CA	5,504,904	10.05.2000	28	R & G Enterprise Ltd.	Manager - Finance	May.96
13.	B Kalyan Kumar	40	Sr. Vice President & Chief Technologist	B.Tech - Production	18,524,024	01.08.2013	19	HCL Comnet Ltd.	Vice President and Chief Technologist Architect/SD	Sep.00
14.	Balamunagan Ramasamy	52	Vice President	B.Tech - Electronics	6,522,744	19.05.1999	30	Digital Instruments & Controls Pvt. Ltd.	R & D Engineer	Mar.86
15.	Bejoy Joseph George	49	Executive Vice President	MBA - Marketing	7,279,247	25.06.2014	11	Axis Aerospace Technologies Ltd.	Executive Director & CEO	Dec.11
16.	Debasis Sarkar	40	Associate Vice President	PGD - Personnel Management	4,671,261	29.04.2013	16	Bharti Airtel Ltd.	General Manager - HR	Nov.12
17.	Gade Hanumantha Rao	58	President-ERS	B.Tech - Electronics	49,690,203	01.07.1996	35	HCL Hewlett Packard Ltd.	Senior Manager - R&D	Nov.80
18.	Ganesh Sunder	48	Associate Vice President	BE - Electrical & Electronics	6,245,488	03.03.2014	14	Accenture Services Pvt.Ltd.	Managing Director	Jun.07
19.	Goutam Rungta	43	Senior Vice President - Business Finance	CA, CWA	7,316,786	01.03.2007	20	General Motors India Pvt.Ltd.	General Manager - Finance	Jul.03
20.	Gurpreet Singh Arora	41	Vice President	CA	6,666,614	01.05.2012	15	Wipro Limited	General Manager	Oct.07
21.	Harekrishna Rajagopalachar Saderahall	47	Senior Vice President	B.tech - Mechanical	15,128,983	09.01.2012	26	Allegis Services India Pvt.Ltd.	Executive Vice President	Mar.09
22.	Harsha Haridas Pai	42	Vice President	PGDBA - Finance	12,640,567	03.11.2014	4	WNS Global Services Pvt.Ltd	Corporate SVP	Oct.12
23.	Kapil Khaneja	38	Associate Vice President	B.Com (Honours)	5,161,926	24.02.2015	17	Convergys India Services Pvt.Ltd.	Director - Operations	Jun.01
24.	Krishnamurthy Venugopal Gnanadevalu	47	Associate Vice President	Master of Science (Electronics)	6,054,257	15.07.1998	26	GEC Alsthom India Ltd.	Executive - R&D	Aug.90
25.	Krishnan Chalferjee	44	Senior Vice President	MBA - Marketing	6,028,316	01.12.2004	21	ITC Ltd.	Project Head	Jun.95
26.	Makarand Vitthal Teje	50	Executive Vice President	Master of Management Studies - Marketing	8,517,925	16.02.2015	25	Cappgemini India Pvt. Ltd.	Sr. Vice President	Feb.11
27.	Manish Anand	48	Vice President	CS	5,430,179	21.06.1995	25	Bharat Heavy Electricals Ltd.	Accounts Officer	Jul.92
28.	Manish Bahadur	45	Vice President	PGDB in Business Administration	4,854,381	21.07.2014	20	Xchanging Technology Services India Pvt. Ltd.	Vice President	Jul.12
29.	Manor Kumar Sarangi	45	Vice President & Chief Information Security Officer	M.Tech - Computer Engineering	5,887,732	10.05.2013	22	Aditya Birla Management Corporation Pvt.Ltd.	AVP (Group CISCO)	Sep.11
30.	Manoj Kumbhat	49	Senior Vice President & CIO	MBA - Finance	15,631,199	28.03.2012	22	Pepsi Foods Pvt. Ltd.	CIO	Mar.06

**Information for Director's Report under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**A. EMPLOYED FOR FULL FINANCIAL YEAR 2015-16 (Contd...)**

S. No.	Name	Age (in years)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
31.	Mathew George	48	Senior Vice President	CA	7,876,948	02.05.2013	22	Cognizant Technology Solutions India Pvt.Ltd.	Director - Consulting	Oct.11
32.	Mukund Garg	46	Vice President	B.Tech - Electrical	5,243,134	18.02.2008	24	Satyam Computer Services Ltd.	Associate Vice President	Jun.04
33.	Nalin Mittal	44	Senior Vice President	CA, CWA	5,272,640	01.04.1998	23	Pricewaterhouse Coopers	Article Manager	Jul.93
34.	Neeja Ravitej Nath	40	Associate Director	Executive Education (EGMP) - Management Program (SMP) - General Management	5,144,457	06.01.2014	20	Accenture		May.08
35.	Nirmaia Datta	52	Vice President	Senior Management Program (SMP) - General Management	7,661,226	24.04.2014	32	Microsoft India (R&D) Pvt.Ltd	Principal IT Program Manager	Jan.13
36.	Nitin Pande	45	Senior Vice President - HR Advisory & Employee Services	MBA - Personnel, HR & IR	6,044,288	20.06.2005	23	Office Tiger Database Systems India Pvt.Ltd.	Associate Vice President - Human Resources	Apr.04
37.	Prabhuraman Sayanam	46	Senior Vice President	B.Tech	10,748,989	29.08.1988	28	N/A	NA	NA
38.	Pradeep Bindal	53	President - Business Services	MCA	68,469,846	01.11.2013	28	HCL Comnet Systems & Services Ltd.	Corp. Vice President - Asia, Middle East, Africa	Dec.95
39.	Prahlad Rai Bansal	59	Corporate Vice President	CA	9,619,289	01.12.1994	37	HCL America Inc.	Vice President	Jan.88
40.	Prateek Aggarwal	49	Executive Vice President	MBA - Finance	9,566,152	01.10.2012	25	Hexaware Technologies Ltd.	Chief Financial Officer	Jun.08
41.	Prithvi Harkirat Singh	49	Chief Human Resources Officer	MBA	90,420,165	19.04.2012	26	Accenture Services Pvt. Ltd.	Partner - Human Resources	Jan.04
42.	Puljyanonchemmarankulangara Ramesh	47	Vice President	MBA	8,036,001	03.11.2014	9	Infosys BPO Ltd.	Associate Vice President	Sep.07
43.	Puneet Mehra	46	Vice President	CA, CWA	4,502,757	19.08.2003	21	Hindustan Thompson Associates Pvt. Ltd.	Commercial Manager	Dec.96
44.	Raj Kumar Walla	49	Senior Vice President	ICWA	5,281,267	05.06.1995	29	PFIZER Ltd.	Accounts Officer	Jul.93
45.	Rajesh Gupta	56	Vice President-Taxation	CA	7,871,118	17.03.2010	27	JSL Limited	Vice President - Taxation	May.09
46.	Rajiv Mahajan	56	Senior Vice President & Director-Infrastructure Projects	BE (Hons.) Civil, M.Sc. (Hons.) - Economics	15,474,338	22.11.2010	18	Advance India Projects Ltd.	President - Projects	Jan.10
47.	Rajiv Sodhi	57	Sr. Corporate Vice President - Delivery Initiatives & Customer Advocacy	B.Tech, MBA - Marketing	13,197,078	24.07.1997	35	Tata Consultancy Services Ltd.	Manager - Systems	Aug.81
48.	Rajkumar Kathiresan	45	Global Delivery Director	BE - Computer Engineering	4,608,613	19.05.2014	24	Professional Access Software Development Pvt.Ltd.	Vice President - Operations	Feb.04
49.	Rajneesh Raihi	41	Program Director	BE (Hons) - Electronics	4,828,654	21.08.2014	19	Alcatel-Lucent India Ltd.	Director	Jul.03
50.	Rajnish Avtar	48	Vice President	MBA - Technology Management	4,535,379	31.07.2006	26	Hewlett-Packard	Sr. Software Manager	May.95
51.	Ramana SV	52	Senior Vice President	B.Tech - Electronics & Communication	6,993,624	08.01.2015	22	Genpact India	Senior Vice President	Feb.00
52.	Rangarajan Vijayaradhavan	51	Senior Vice President	MA	8,162,512	22.05.2009	29	Satyam Computer Services Ltd.	Vice President	May.99
53.	Ravi Kathuria	53	Vice President	MBA - Marketing Management	6,261,730	16.10.2012	31	Briarsoft (India) Ltd.	Vice President - Marketing	Mar.06
54.	Ravi Kumar Chirugudu	48	Associate Vice President	M.E - Electronics	5,720,479	07.07.2014	26	Wipro Technologies	General Manager	Jan.01
55.	Ravi Yeddapanudi	43	Vice President	BE (Hons) - Electronics	7,676,428	06.12.2007	22	BriarSoft Ltd.	Sr. Manager	Jun.04
56.	Sachin Bajaj	39	Global Business Head - eServices	MBA - Management	5,990,521	25.08.2014	19	Eureka Mobile Advertising	Vice President - Business Development	Dec.12
57.	Sanjay Kumar Mendiratta	51	Vice President	Master of Finance & Control	5,499,473	17.01.2008	26	Altest Testing Services Ltd.	Deputy Vice President	Oct.03
58.	Sanjeev Nikore	56	President - APMEA, India Business & Sr. Corp. Vice President - Strategic Engagement	MBA	13,336,044	03.09.2012	34	HCL Great Britain Ltd.	Sr. Corporate Vice President	Sep.10



**Information for Director's Report under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**A. EMPLOYED FOR FULL FINANCIAL YEAR 2015-16 (Contd...)**

S. No.	Name	Age (in years)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
59.	Sanjiv Ghosh	42	Associate Vice President	B.Sc (Honors)	5,831,600	08.05.1995	22	Nucleus Software Workshop Pvt.Ltd.	System Engineer	Jul.94
60.	Santosh Kumar Raja	39	Associate Vice President	MBA (Finance)	5,721,552	06.01.2014	9	Cognizant Technology Solutions U.S. Corporation	Associate Director	May.00
61.	Sathyanarayana Babu Pichumani	53	Associate Vice President	M.Tech - Physical Engineering	4,831,924	23.08.2010	29	Satyam Computer Services Ltd.	Asst. Vice President	Dec.06
62.	Shammi Majlla Pant	41	Vice President	B.E. - Electronics & Communication, MBA	5,459,213	15.04.2015	5	WNS Global Services Pvt.Ltd	Sr. Director	Apr.13
63.	Shashidhar Krishnamurthy	47	Vice President	B.E. - Electronics & Communication	6,462,125	01.07.1996	25	HCL Hewlett Packard Ltd.	Assistant Manager	Sep.91
64.	Shiv Nadar	70	Chairman and Chief Strategy Officer	Electrical Engineer	90,683,730	13.09.1999	46	HCL Infosystems Limited	Whole-time Director & CEO	Aug.87
65.	Siddhartha S	41	Senior Vice President	MBA - Marketing	11,365,005	07.05.2001	19	Grindwell Norton Ltd.	Product Engineer	Jan.97
66.	Srimathi Shivashankar	48	Associate Vice President	MBA-Business Administration	4,970,881	01.12.2010	13	Infosys Ltd.	Senior Lead - Diversity	Jan.03
67.	Srinivasan Govindan	45	Associate Vice President	MSW-Master of Social Work	4,791,960	11.03.2013	23	HCL Technologies Ltd.	Director - HR	Sep.06
68.	Subramanian Gopalkrishnan	49	Senior Vice President - Finance	CA, CS, CWA	7,064,121	09.12.2010	26	Satyam Computer Services Ltd.	Vice President - Finance	Jun.05
69.	Swapnan Johri	51	Executive Vice President	B.Tech - Chemical	8,026,455	01.06.1999	29	CMOS Communications Pvt. Ltd.	Chief Operating Officer	May.98
70.	Tajeshwar Singh	40	Vice President	BE - Electronics & Communication	7,821,617	08.02.2001	18	MICROLAND LTD.	Network Engineer	Feb.00
71.	Tom Nedumattaihil Thomas	52	Executive Vice President	MBA - Marketing	6,715,385	01.08.2005	28	HCL Technologies America Inc.	Business Development Manager	Apr.99
72.	Varanasi Guru Venkata Subbaraya Sharma	52	Senior Vice President	CWA	9,377,511	24.01.2011	11	ATG Tires Pvt.Ltd.	Vice President - Internal Audit	Jun.10
73.	Venkatesan Muthukumaraswami	58	Senior Vice President	Master of Engineering - Instrument Technology	5,256,168	30.09.1998	33	Alstom Ltd.	Area Manager - R&D	Jul.87
74.	Vigneshwar Rao Kodavalla	43	Vice President	BE - Civil Engineering	5,961,612	02.12.2011	21	Wipro Technologies	Delivery Head	May.10
75.	Vijay Anand Guntur	48	Executive Vice President	M.Sc (Computer Science), MBA - Finance	16,714,908	14.07.1994	27	HCL Hewlett Packard Ltd.	Deputy Manager	Jun.89
76.	Vikas Sharma	47	Associate Vice President	MBA - Human Resource Management	4,598,220	26.07.2010	23	Manpower Services India Pvt. Ltd.	Chief Human Resources	Jun.08
77.	Vikrant Dhawan	48	Vice President - Legal	LLB	5,615,387	28.04.2008	25	Giaosmithkline Consumer Healthcare Ltd.	General Manager - Legal	Jan.07
78.	Vikrant Gupta	41	Vice President	PGDBA - Human Resource Management	5,653,370	01.06.2015	18	Accenture Services Pvt.Ltd.	Vice President - HR	Sep.06
79.	Vineet Vedprakash Sood	49	Executive Vice President - Treasury	ICWA	9,156,792	25.11.2010	25	Tata Consultancy Services Ltd.	Treasurer	Mar.06
80.	Vineet Vij	49	Vice President	B.Com. LLB	4,666,021	03.09.2007	24	American Express India Pvt. Ltd.	Service Delivery Leader (Head - Compliance)	Jan.07
81.	Vipul Soni	39	Vice President	MBA - Management	5,728,676	18.03.2014	14	Accenture Services Pvt.Ltd.	Senior Manager	Jul.07

**Information for Director's Report under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**B. EMPLOYED FOR PART OF THE FINANCIAL YEAR 2015-16**

S. No.	Name	Age (in years)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
1.	Anil Kumar Samavedam	45	Deputy General Manager	MCA - I.T. / Computer Science	690,804	06.09.2007	20	Cambridge Solut	Consultant	01.02.2005
2.	Asokan Sharmuga Priya	42	Group Project Manager	M.Sc - Electronics	851,997	01.07.1998	18	Deutsche software India Pvt Ltd	Trainee	22.06.1998
3.	C R D Prasad	59	Sr.Corp.VP & Chairperson-Delivery & Operations	B.Tech - Production	10,421,644	01.08.2013	36	HCL Commet Ltd.	Sr. Corporate Vice President - ISD	01.07.1995
4.	Chelan Pandotra	56	Vice President	B.Sc - Computer Sciences	4,218,296	11.04.2014	30	Citibank N.A.	Vice President	01.02.1989
5.	Dayanand Ramchandra Naik	48	Operations Director	PGD - Computer Science	2,573,274	26.09.2001	26	Deutsche Software Ltd.	Associate Manager	01.01.1998
6.	Deepak Bhatla	49	Vice President	Diploma in Electrical Engg.	704,933	03.11.2014	26	Infosys BPO Ltd.	AVP	03.04.2006
7.	Glirsh Kulkarni	44	Deputy General Manager	B.Sc	1,130,870	03.03.2003	20	PSJ Data System	Project Leader	01.07.1998
8.	Jagmath B	56	Practice Director - BPC	MA - Economics	899,290	04.06.2010	33	DSM Soft Pvt Ltd.	Chief Operating Officer	01.06.2007
9.	Jagdish Prasad	51	Associate Vice President	M.Tech - Production	3,208,376	17.03.2008	30	Diebold Software Services Pvt.Ltd.	Director	16.08.2004
10.	Jeyakumar Antony	56	Deputy General Manager	MBA - Finance	894,678	05.03.2007	31	Covansys (I) Ltd.	Delivery Manager	14.06.2002
11.	Kevin Francis Kusch	45	Global Operations Director	B.Sc - Computer Science	1,532,084	01.09.2011	20	Xerox Corporation	Software & Electronics Manager	01.06.2006
12.	Lakshminarayanan Kizhakkencherry Vaid	47	Associate Director - Practice & Services	B.Sc, Sr. Management Program from IIM-C	1,605,187	21.06.2010	22	CSS Corp Pvt. Ltd.	Director HR	01.02.2008
13.	Maninder Singh Narang	46	EVP-Europe & ROW Infrastructure Delivery	PGD - Marketing Management	6,256,772	21.08.1995	25	Fujitsu ICIM Ltd.	Major Account Manager	01.02.1992
14.	Mukta Arora	51	Vice President	PGD in Business Management	3,593,001	01.12.2010	30	HCL Technologies Ltd.	Consultant	01.09.2010
15.	Narasimha Murthy Perubolla	50	Associate General Manager	ME/MTech - Electrical	725,891	20.09.2004	26	Infosys Technologies	Project Manager	02.11.1995
16.	Navin Kumar	58	Associate Vice President	CA	2,795,412	25.06.2007	32	Hewitt Associates (INDIA) Pvt. Ltd.	Associate	01.08.1997
17.	Padmapriya Natarajan	44	Group Project Manager	MCA-I, T/Computer Science	716,862	20.04.2000	21	TCS	IT Analyst	21.12.1995
18.	Phani Kumar Kasichayanula	54	Associate Vice President	B.Sc, M.Sc	1,555,900	24.03.1999	31	Karvy Consultants Ltd.	Asst. General Manager	05.06.1995
19.	Pradeep Vancheeswaran	43	Associate Vice President	M.Sc, CWA	792,865	07.03.2013	22	Tata Consultancy Services Ltd.	Senior Consultant	25.01.2012
20.	Pramod Vasant Deshpande	53	Practice Director	Advanced Diploma in Management	1,789,531	14.06.2010	29	Mphatis Ltd.	Business Analysis Delivery Manager	30.06.2008
21.	Prasad Anjaneeya Chodavarapu	44	Senior Vice President	MS - Mechanical	6,187,517	01.05.2008	20	Savara Systems Inc.	SMTS	02.02.1998
22.	Puneet Kumar Pandey	42	Associate Vice President	PGD - Marketing Management	3,519,640	01.03.2004	21	J.K. Technosoft	Manager - Business Development	01.03.2002
23.	Raj Kumar Malik	56	Senior Vice President	B.Tech - Electrical	4,993,295	28.07.1997	33	Commonwealth Bank	Project Manager	01.05.1996
24.	Ramesh G Nathawani	53	Senior Vice President	BE - Computer Science	5,146,866	01.03.2002	30	DSL Software Ltd.	Project Manager	01.03.2002
25.	Rashmi Jain	53	Operations Director	B.E. - Computer Science	945,623	25.07.2003	30	HCL Infosystems Ltd.	Sr. Consultant	24.11.1998
26.	Ravindra Nuguri	51	Vice President	PGD - Computer Science	4,095,384	04.02.2004	29	Tektronix Engineering Development India Pvt.Ltd.	Program Manager	26.06.2000
27.	Sanjay Logabiraman	45	Associate Vice President	MBA-Business Administration	1,838,547	04.01.2010	24	United Healthcare	Senior Manager	16.11.2003
28.	Sanjeev Bhan	46	Associate General Manager	B.E./B.Tech/B.Eng (Hons) - I.T. / Computer Science	528,555	05.09.2003	21	ACED ICIM SYSTEMS	Senior Engineer	01.10.2001
29.	Sanjeev Kumar Kaura	46	Senior Solution Director	(B.E.S) Electronic Science - Electronics/Communication	2,213,068	01.08.2014	24	ALCATEL LUCENT	Region Head	01.06.2011
30.	Sanjeev Mehta	55	Operations Director	B.Sc	2,595,510	06.10.1980	35	HCL Hewlett Packard Ltd.	Manager - R&D	01.10.1980
31.	Saravanan Kandaswamy	54	Associate Vice President	MBA-Marketing Management	1,006,206	14.11.2005	31	Netvision Cybertech Ltd	Head & V.P. Operations	08.05.2002
32.	Shimona Chadha	41	Senior Director	PGD in Management	1,305,090	20.09.2010	7	Idea Cellular Ltd.	DGM - Marketing	10.12.2009
33.	Sridhara Bangalore Rajan	53	Senior Principal	M.Sc - Computer Science	3,077,796	12.12.2005	31	Tata Consultancy Services Ltd.	Sr. Consultant	08.06.1992
34.	Srinivasan Aravamudhan	46	Vice President	Master of Science - Information Technology	3,658,070	09.09.2015	28	Genpact India	Vice President	19.12.2001
35.	Subramanian Balaji Adiseshan	50	General Manager	CA	991,854	25.11.2004	13	IFLEX Solutions	Consultant	15.12.2003

**Information for Director's Report under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**B. EMPLOYED FOR PART OF THE FINANCIAL YEAR 2015-16 (Contd....)**

S. No.	Name	Age (in years)	Designation	Educational Qualification	Remuneration (in ₹)	Date of Joining	Experience in Years	Previous Employment	Designation held in previous appointment	Previous employment held since
36.	Subramanian G	47	Associate Vice President	CA	4,099,324	10.08.2015	21	IBM India Pvt. Ltd.	DGM - Operations	27.03.2006
37.	Subrat Chakravarty	48	Vice President	PGD - Personnel Management	6,598,078	03.09.2015	7	Bhhasoft (India) Ltd.	Chief People Officer	17.06.2013
38.	Sunil Anand	41	Enterprise Architect	M.Sc.-I./Computer Science	1,039,351	25.07.2005	15	STMICROELECTRON	Senior Design Engineer	16.04.2001
39.	Suresh Sundaram	49	Senior Vice President - Marketing	B.Tech - Mechanical Engineering	4,087,739	01.05.1998	28	HCL America Inc.	Account Manager	09.05.1998
40.	Thiagarajan Suryanarayanan	40	Global Head - Talent Supply Chain	Master of Personnel Management	4,417,577	21.05.2014	19	Accenture Services Pvt.Ltd.	Analyst	16.12.2002
41.	V Sifram	48	Associate Vice President	MSW-HR/Industrial relations	1,751,550	26.05.2010	25	Hexaware Technologies Ltd.	Location Head - HR	01.06.2006
42.	Vijayaramachandran Narayanan	41	Operations Director	MCA-I, T/Computer Science	1,188,426	08.01.2007	21	EDS India Pvt. Ltd.	Project Manager	01.07.2006
43.	Viswanathan Balasubramanian	54	Vice President - Quality	PGDM-Marketing	2,101,424	05.06.2008	30	Reliance	AVP - Operations Food Supply Chain	10.04.2006

**Notes:**

- None of the Employees listed above is a relative of any director of the Company.
- The nature of employment is contractual in all the above cases.
- None of the Employees listed above owns 2% or more of the paid-up equity share capital of the Company.
- The above statement covers the remuneration paid by the Company and not by any subsidiary/ies.
- Particulars of employees posted and working in a country outside India not being directors or their relatives, drawing more than rupees sixty lacs per annum or rupees five lacs per month, as the case may be, have not been included in the above statement.

For and on behalf of the Board of Directors

Place: Noida (U.P.), India  
Date : April 28, 2016

**SHIV NADAR**  
Chairman and Chief Strategy Officer

## CORPORATE GOVERNANCE REPORT 2015-16

*Good governance facilitates efficient, effective and entrepreneurial management that can deliver stakeholder value over the longer term. It is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled or managed.*

Good corporate governance underpins the success and integrity of the organizations, institutions and markets. It is one of the essential pillars for building 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 mindset 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 also a fair disclosure code. 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 the Company is based on the following principles:

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

have been institutionalized. The Company recognizes that good governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders.

### **Board of Directors ("Board")**

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through the 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. They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

### **Board Size and Composition**

The Board of Directors ("Board") is at the core of 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 ensure the 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, standards of the Company, conduct etc.

As on March 31, 2016, the Board consisted of 10 members, of which, one is the Promoter Director who is designated as the Chairman and Chief Strategy Officer of the Company. The other 9 Directors are Non-Executive Directors, of which 7 are Independent Non-Executive Directors. During the financial year under review, Mr. Thomas Sieber (DIN: 07311191) was appointed as an Independent Director of the Company w.e.f. October 17, 2015.

**Composition of the Board and the Directorship(s) / Committee Membership(s) / Chairmanship(s) held as on March 31, 2016 is as follows:**

Name of Director	Position in the Company	Directorships in Indian public limited companies (including HCL Technologies Ltd.)	Directorships/ memberships in all other companies/ trusts/other entities (including overseas companies)	Committee memberships* (including HCL Technologies Ltd.)	Committee Chairmanships* (including HCL Technologies Ltd.)	No. of shares held (of ₹ 2 each)
Mr. Shiv Nadar (DIN 00015850)	Chairman & Chief Strategy Officer	1	19	1	-	368
Ms. Roshni Nadar Malhotra (DIN 02346621)	Non-Independent Non-Executive Director	1	19	1	-	348
Mr. Sudhindar Krishan Khanna (DIN 01529178)	Non-Independent Non-Executive Director	5	5	1	1	NIL
Ms. Robin Ann Abrams (DIN 00030840)	Independent Non-Executive Director	1	5	1	-	Nil
Mr. Amal Ganguli (DIN 00013808)	Independent Non-Executive Director	10	2	10	5	Nil
Mr. Keki Minoo Mistry (DIN 00008886)	Independent Non-Executive Director	10	4	-	-	Nil
Mr. Ramanathan Srinivasan (DIN 00575854)	Independent Non-Executive Director	3	16	2	-	Nil
Dr. Sosale Shankara Sastry (DIN 05331243)	Independent Non-Executive Director	1	1	-	-	Nil
Mr. Subramanian Madhavan (DIN 06451889)	Independent Non-Executive Director	3	2	4	2	1500
Mr. Thomas Sieber (DIN 07311191)	Independent Non-Executive Director	1	4	-	-	Nil

Note: Mr. Shiv Nadar and Ms. Roshni Nadar Malhotra are related as Father and Daughter, respectively. No other Director is related to any other Director on the Board.

\* Chairmanships / memberships of only Audit Committee and Stakeholders' Relationship Committee of the Indian public limited companies have been considered.

**Brief Profile of the Board Members**
**Mr. Shiv Nadar**

Mr. Shiv Nadar, aged 71 years, is an Electrical Engineer from Coimbatore in South India. Mr. Shiv Nadar established HCL as a startup in 1976. Acknowledged as a visionary by the IT industry and his peers, Mr. Shiv Nadar has often made daring forays based on his conviction of the future. The University of Madras and IIT Kharagpur awarded him an Honorary Doctorate Degree in Science for his outstanding contribution to IT in India. In recognition of his pioneering role in business and philanthropy in India and across the globe, Mr. Nadar has received several honours and accolades, notable being the Padma Bhushan from the President of India in 2008 and the BNP Paribas Grand Prize for Individual Philanthropy in 2013, the AIMA Managing India Corporate Citizen Award, the ICSI Lifetime Achievement Award for excellence in Corporate Governance and the Golden Peacock Award for Social Leadership in 2014. He has been named as the Outstanding Philanthropist of the Year in 2015 by Forbes. Determined to give back to the society that supported him, Mr. Nadar has been quietly supporting many significant social causes through the **Shiv Nadar Foundation**. The Foundation has established the not-for-profit SSN College of

Engineering in Chennai, ranked among India's top ranked private engineering colleges. A young and a unique research-led interdisciplinary Shiv Nadar University has been identified as India's first Ivy League institution. The Foundation is also running "**VidyaGyan**" schools in Uttar Pradesh that provide free, world class education to rural toppers from economically disadvantaged backgrounds. He also very strongly supports initiatives for the girl child and the empowerment of women. Mr. Nadar has also forayed into Healthcare. With a vision to provide innovative medical services, products and training to meet the growing demand for quality healthcare, **HCL AVITAS** has been set up to provide integrated care across India.

**Ms. Roshni Nadar Malhotra**

Ms. Roshni Nadar Malhotra, aged 34 years is the CEO and Executive Director of HCL Corporation Pvt. Ltd. She brings a global outlook, strategic vision and passion for business, social enterprise and institution-building to her varied roles at HCL Corporation and the Shiv Nadar Foundation. Ms. Roshni is also a Trustee of the Shiv Nadar Foundation, which among its transformational educational initiatives has established the SSN Institutions in Chennai, today among the top private engineering and business schools in India,

the interdisciplinary Shiv Nadar University in the National Capital Region of Delhi, VidyaGyan schools in Uttar Pradesh, the Shiv Nadar Schools and the iconic Kiran Nadar Museum of Art and Shiksha, an innovative technology-led intervention in education envisioned to eradicate illiteracy from India.

She is the driving force behind the VidyaGyan schools in Uttar Pradesh, a radical initiative to induct and transform meritorious rural children from economically challenged backgrounds and create leaders of tomorrow. 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 has been inducted into the Forum of Young Global Leaders, for her inspiring work in philanthropy and education in India at a very young age. She has been conferred the prestigious 'NDTV - Indian of the year- India's Future' award under the 'Philanthropic' category in 2014. Also, recently Ms. Roshni was felicitated at New York with the 'World's Most Innovative People Award' for 'Philanthropic Innovation', given by The World Summit on Innovation & Entrepreneurship (WSIE). Ms. Roshni is a MBA from the Kellogg Graduate School of Management with a focus on Social Enterprise and Management & Strategy. At Kellogg, she received the Dean's Distinguished Service Award.

#### **Mr. Sudhindar Krishan Khanna**

Mr. Sudhindar Krishan Khanna, aged 63 years, has a Bachelor of Arts (Honors) degree in Economics from St. Stephen's College (New Delhi) and is a Chartered Accountant. He is the Chairman and Managing Director of IEP Mumbai, a leading control oriented PE Fund. He was one of the founding members of Accenture worldwide and became the Country Managing Partner of Accenture in India & the Middle East and a lead member of the Accenture global management team. He was responsible for establishing all major Accenture businesses in India, including ITO, BPO and KPO. Mr. Khanna serves on the board of United Spirits, Peninsula Holdings, Canara HSBC Insurance etc.

#### **Ms. Robin Ann Abrams**

Ms. Robin Ann Abrams, aged 65 years, holds both a Bachelor of Arts and a Juris Doctor degree from the University of Nebraska. She was the interim CEO at ZiLOG. She had been the President of Palm Computing and Senior Vice President at 3Com Corporation. She was formerly the President and CEO at VeriFone and also held a variety of senior management positions with Apple Computers 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 serves on several U.S. public company Boards, the Anita Borg Institute Board and several academic advisory committees.

#### **Mr. Amal Ganguli**

Mr. Amal Ganguli, aged 76 years is a fellow member of the Institute

of Chartered Accountants of India and an alumnus of the Institute of Chartered Accountants in England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A. Mr. Ganguli spent his entire professional career in PricewaterhouseCoopers where he was the Chairman and Senior Partner from 1996 till his retirement in 2003. Besides his qualification in the area of accounting and auditing, he is alumnus of IMI, Geneva. During his career spanning over 43 years, his range of work included international tax advice and planning, cross border investments, corporate mergers and re-organization, financial evaluation of projects, management, operational and statutory audit and consulting projects funded by international funding agencies.

#### **Mr. Keki Mistry**

Mr. Keki Mistry, aged 61 years is the Vice Chairman & Chief Executive Officer of HDFC Ltd. He is a Chartered Accountant from the Institute of Chartered Accountants of India. Besides being on the board of several HDFC Group companies including HDFC Bank, Mr. Mistry is also on the Board of other companies including Sun Pharmaceutical Industries Ltd. and Torrent Power Ltd. Some of Mr. Mistry's recent recognitions include, being awarded 'Best Independent Director Award 2014' by Asian Centre for Corporate Governance & Sustainability, the Best CEO Financial Services (Large Companies) 2014 by Business Today magazine, the CFO India Hall of Fame by the CFO India magazine in 2012, being honoured with the 'CA Business Achiever of the Year' award in the Financial Sector by the Institute of Chartered Accountants of India (ICAI) in 2011, declared as the Best CFO in the Financial Services category by the ICAI for 2008, CNBC TV18's Award for the 'Best Performing CFO in the Financial Services Sector' for three consecutive years - 2006, 2007 & 2008 and CFO of the Year for 2008, selection as the 'Best Investor Relations Officer' in the Corporate Governance poll by Asiamoney (2008).

#### **Mr. Ramanathan Srinivasan**

Mr. Ramanathan Srinivasan, aged 70 years, has an Electrical Engineering Degree from Madras University and a MBA Degree from the IIM, Ahmedabad. He is the Founder, now Vice Chairman of Redington (India) Limited, a 5.4 billion dollar Technology Products Supply Chain Solution Company operating in India, Middle East, Africa & Turkey. Prior to starting Redington in Singapore, he spent three years in Indonesia with a leading Textile Company. His experience also includes a number of years with Readers Digest and the Coca-Cola Corporation in India.

#### **Dr. Sosale Shankara Sastry**

Dr. Sosale Shankara Sastry, aged 60 years, is currently the Dean of Engineering at University of California, Berkeley. Dr. Sastry is B. Tech from Indian Institute of Technology, Bombay; M.S. EECS (1979), University of California, Berkeley; M.A. Mathematics (1980), University of California, Berkeley and Ph.D. EECS, University of California, Berkeley. His areas of personal research are embedded control, cybersecurity, autonomous software for unmanned systems (especially aerial vehicles), computer vision, nonlinear and adaptive control, control of hybrid and embedded systems, and network embedded systems and software. He has been concerned with

cybersecurity and critical infrastructure protection. He has co-authored over 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.

#### **Mr. Subramanian Madhavan**

Mr. S. Madhavan, aged 59 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 from where he took early retirement. He was responsible for all facets of leadership development for all senior positions in the firm, as part of its India leadership team. He was also responsible for oversight and delivery of sectorally focused firm wide services, from Assurance to Advisory and Tax, being a primary relationship partner for several global clients. He was also a long standing leader of the indirect tax practice in PricewaterhouseCoopers and has been nationally and globally recognized as a leading subject matter expert in that area. Mr. Madhavan started his career in Hindustan Unilever Ltd., India's largest FMCG multinational, where he spent several years in the 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. Thomas Sieber**

Mr. Thomas Sieber, aged 54 years, has a Business Administration degree from the University of St. Gallen, Switzerland. He was the CEO of Orange Switzerland (now Salt Mobile SA) and later on became the Chairman of the Board of Directors. He has been a member of Board of Directors at IT-services provider, Garai AG; Sierra Wireless, the Global leader in IoT ("Internet of Things"); Danish wireless solution company, RTX. He is serving as the Chairman at Axpo Holding AG which is one of the two national Energy providers in Switzerland and active in 20 countries throughout Europe. Mr. Sieber has an expertise in Strategic and Business Management.

#### **Memberships on other Boards**

Executive Directors are also allowed to serve on the Board/Committee of Corporate(s) or Government bodies whose interests are germane to the future of software business, or on the Board of key economic institutions of the nation or whose primary objective is to benefit 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, 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 the Board, Committee and shareholders meetings.

(b) **Exercise business judgment:** In discharging their fiduciary duties of care and loyalty, the Directors are expected to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stakeholders.

(c) **Understand the Company and its business:** The Directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial condition of the Company and the significant subsidiaries and business segments.

(d) **To establish effective systems:** The Directors are responsible for determining that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company including the following:

- Current business and financial performance, degree of achievement of approved objectives and the need to address forward-planning issues.
- Compliance programs to assure the company's compliance with laws and corporate policies.
- Material litigation and governmental and regulatory matters.

#### **Board meetings - functioning and procedure**

**Board Meeting - Calendar:** The probable dates of the Board meetings for the forthcoming year are decided in advance and published as part of the Annual Report.

**Board Meeting - Frequency:** The Board meets at least once a quarter to review the quarterly results and other items of the agenda.

Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Company effectively uses teleconferencing facilities to enable the participation of Directors who could not attend the meetings due to some exigencies.

**Board Meeting - Location:** The location of the Board meetings are informed well in advance to all the Directors. Each Director is expected to attend the Board meetings.

**Board Meeting - Matters:** All divisions/ departments of the Company are advised to schedule their work plans in advance, particularly with regard to matters requiring discussions/ approval/ decision of the Board/ Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings.

**Board material/ Agenda distributed in advance:** The agenda for each Board meeting is circulated in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every Board member is free to suggest items for inclusion in the agenda.

**Presentations by management:** The Board is given presentations covering finance, sales, marketing, major business segments and operations of the Company, global business environment including business opportunities, business strategy and the risk management practices before taking on record the financial results of the Company.

**Access to employees:** The Directors are provided free access to officers and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which

their presence and expertise would help the Board to have a full understanding of the matters being considered.

**Availability of information to Board members:** The information placed before the Board includes annual operating plans and budgets, including operating & capital expenditure budgets, quarterly financial results of the Company both consolidated and standalone, financials of each of the subsidiaries and investments made by the subsidiaries, risk assessment and minimization procedures, update on the state of the market for the business and the strategy, minutes of subsidiaries, minutes of all the Board committees, related party transactions, details of the treasury investments, details of foreign exchange exposure, update on statutory compliance report and reports of non-compliances, if any, information on recruitment/ remuneration of senior officers, show cause/ demand notices if any, details of joint ventures or collaboration agreements, significant changes in the accounting policies, sale of any material nature etc.

**Post meeting follow - up mechanism:** The guidelines for Board and Committee(s) meetings facilitate an effective post meeting follow up review and reporting process for the decisions taken by the Board and Committee(s) thereof. The important decisions taken at the Board/ Committee(s) meetings are promptly communicated to the concerned departments/ divisions. Action taken report on the decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee(s) for information and review by the Board/ Committee(s).

#### **Number of Board Meetings and the dates on which it were held**

Four Board meetings were held during the financial year ended March 31, 2016. These were held on July 29, 2015, July 31, August 1 & August 3, 2015, October 16, 17 & 19, 2015 and January 17-19, 2016. The following table gives the attendance record of the Board meetings and the last Annual General Meeting:

<b>Name of Director</b>	<b>No. of Board meetings held</b>	<b>No. of Board meetings attended</b>	<b>Whether attended last AGM</b>
Mr. Shiv Nadar	4	4	Yes
Ms. Roshni Nadar Malhotra	4	3	No
Ms. Robin Ann Abrams	4	4	No
Mr. Ramanathan Srinivasan	4	4	Yes
Mr. Amal Ganguli	4	4	No
Mr. Sudhindar Krishan Khanna	4	4	Yes
Dr. Sosale Shankara Sastry	4	3	No
Mr. Subramanian Madhavan	4	4	Yes
Mr. Keki Mistry	4	2	Yes
Mr. Thomas Sieber	2*	2^	No

\*Mr. Thomas Sieber was appointed as a Director of the Company w.e.f. October 17, 2015.

^ attended one meeting through conference 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 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received necessary declarations from each Independent Director that he meets the criteria of independence in terms of the above mentioned provisions.

**Independent Directors' Meetings**

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall meet at least once in a year, without the presence of Executive Directors and members of the management. During the year, the Independent Directors met on January 17, 2016 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 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.

**Familiarisation 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 its 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, 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 <http://www.hcltech.com/about-us/corporate-governance/governance-policies>

**Board Evaluation**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act and Regulation 17 (10) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee (NRC) of the Company approved a checklist for evaluation of the performance of the Board, the Committees of the Board and the Individual Directors, including the Chairman of the Board. The Board adopted the checklist for performance evaluation as approved by NRC.

The performance of the Board 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 committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the NRC reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman 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. The Board has adopted the Policy on Board Diversity which sets out the approach to diversity of the Board of Directors.

**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, 2016, the Company had seven Board Committees viz. Audit Committee, Nomination & Remuneration Committee, Finance Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Employees' Stock Options Allotment Committee and Risk Management Committee.

Keeping in view the requirements of the Companies Act as well as SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, the Board decides 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.

**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, 2016:**

S. No.	Director	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Finance Committee	Employees' Stock Option Allotment Committee	Risk Management Committee
<b>Executive Directors</b>								
1.	Mr. Shiv Nadar	N.A.	Member	Member	Chairman	Member	Member	N.A.
<b>Non-Independent Non-Executive Directors</b>								
2.	Ms. Roshni Nadar Malhotra	N.A.	Member	Member	Member	N.A.	N.A.	N.A.
3.	Mr. Sudhindar Krishan Khanna	N.A.	N.A.	N.A.	N.A.	Member	N.A.	N.A.
<b>Independent Non-Executive Directors</b>								
4.	Mr. Amal Ganguli	Chairman	N.A.	N.A.	N.A.	Chairman	N.A.	Chairman
5.	Mr. Keki Mistry	Member	N.A.	N.A.	N.A.	N.A.	N.A.	Member
6.	Mr. Ramanathan Srinivasan	N.A.	Chairman	N.A.	N.A.	Member	N.A.	N.A.
7.	Ms. Robin Ann Abrams	Member	Member	N.A.	N.A.	N.A.	N.A.	Member
8.	Dr. Sosale Shankara Sastry	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
9.	Mr. Subramanian Madhavan	Member	N.A.	Chairman	Member	Member	Member	Member
10.	Mr. Thomas Sieber	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**1. Audit Committee**

As on March 31, 2016, the Audit Committee comprises of four Independent Directors namely:

- a) Mr. Amal Ganguli (Chairman)
- b) Mr. Keki Mistry
- c) Ms. Robin Ann Abrams
- d) Mr. Subramanian Madhavan

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 Audit Committee shall take into consideration the qualifications and experience of the firm proposed to be considered for appointment as auditors as specified under Section 141 of the Companies Act, 2013 and whether these are commensurate with the size, nature of business and requirements of the Company and also consider any completed

and pending proceedings against the proposed firm of auditors before the Institute of Chartered Accountants of India or any competent authority or any Court.

The Audit Committee shall recommend to the Board, the name of the audit firm who may replace the incumbent auditor on the expiry of their term.

**b) Review and monitor independence and performance of statutory auditors and Effectiveness of Audit Process**

In connection with recommending the firm to be retained as the Company's statutory auditors, review and monitor the information provided by the management relating to the independence of such firm and performance and effectiveness of audit process, including, among other things, information relating to the non-audit services provided and expected to be provided by the statutory auditors.

The Audit Committee is also responsible for:

- i) Actively engaging in dialogue with the statutory auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the statutory auditors, and
- ii) Recommending that the Board takes appropriate action in response to the statutory auditors' report to satisfy itself of their independence.

**c) Review audit plan**

Review with the statutory auditors their plans for, and the scope of, their annual audit and other examinations.

**d) Conduct of audit**

Discuss with the statutory auditors the matters required to be discussed for the conduct of the audit.

**e) Review and examination of Audit Results**

Review and examine with the management and the statutory auditors the proposed report on the annual audit, areas of concern, the accompanying management letter, if any, the reports of their reviews of the Company's interim financial statements, and the reports of the results of such other examinations outside the course of the statutory auditors' normal audit procedures that they may from time to time undertake.

**f) Review and examination of Financial Statements**

Review and examination of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are accurate, sufficient and credible and evaluation of internal financial controls and risk management systems, to obtain reasonable assurance based on evidence regarding processes followed and their appropriate testing that such systems are adequate and comprehensive and are working effectively. The Audit Committee shall review with appropriate officers of the Company and the statutory auditors, the annual financial statements of the Company prior to submission to the Board or public release thereof, focusing primarily on:

1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013.
2. Any changes in accounting policies and practices and reasons for the same.
3. Major accounting entries based on exercise of judgment by management.
4. Qualifications in draft audit report.
5. Significant adjustments made in the financial statements arising out of audit.
6. The going concern assumption.
7. Compliance with accounting standards.
8. Compliance with stock exchange and legal requirements concerning financial statements.
9. Any related party transactions i.e. transactions of the Company with its subsidiaries, promoters or the management, or their relatives, etc. that may have conflict with the interest of the Company at large.
10. Contingent liabilities.
11. Status of litigations by or against the Company.
12. Claims against the Company and their effect on the accounts.

The definition of the term "Financial Statement" shall be the same as under section 2(40) of the Companies Act, 2013.

**g) Review Quarterly Results**

Reviewing with the management, the quarterly/interim financial statements before submission to the Board for approval.

**h) Risk Management functions**

The Audit Committee shall perform the following Risk Management Functions:

1. Assist the Board in overseeing the responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks.
2. Review and approve the Risk Management Policy and associated framework, processes and practices.
3. Assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
4. Evaluating significant risk exposures including business continuity planning and disaster recovery planning.
5. Assessing management's actions in mitigating the risk exposures in a timely manner.
6. Promote Enterprise-wide Risk Management and obtain comfort based on adequate and appropriate evidence that the management of the Company ensures the implementation and effective functioning of the entire risk management process and embedding of a comprehensive risk management culture in the Company at every stage of its operations.
7. Assist the Board in maintenance and development of a supportive culture, in relation to the management of risk, appropriately embedded through procedures, training and leadership actions so that all employees are alert to the wider impact on the whole organization of their actions and decisions.
8. Maintaining an aggregated view on the risk profile of the Company/ Industry in addition to the profile of individual risks.
9. Ensure the implementation of and compliance with the objectives set out in the Risk Management Policy.
10. Advise the Board on acceptable levels of risk appetite, tolerance and strategy appropriate to the size and nature of business and the complexity and geographic spread of the Company's operations.
11. 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.

**i) Review the performance of the Internal and External Auditors**

Review with the management the performance of the statutory and internal auditors and the existence, adequacy and effective functioning of the internal control systems including internal control system over financial reporting, based on appropriate and effective evidence and such other matters as may be required.

**j) Oversight Role**

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure the financial statements are correct, sufficient and credible.

**k) Review Internal Audit Function**

Review the adequacy of the internal audit function, including the structure of the internal audit department, adequate staffing and the qualifications, experience, authority and autonomy of the person heading the department, the reporting structure, coverage and frequency of internal audit.

**l) Review Internal Audit Plans**

Review with the senior internal audit executive and appropriate members of the staff of the internal auditing department the plans for and the scope of their ongoing audit activities and also review and approve the periodicity and programme for conducting the internal audit.

**m) Review Internal Audit Reports**

Review with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the periodic reports of the findings of the audit and reports and the necessary follow up and implementation of correction of errors and other necessary actions required. The Audit Committee shall also review the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of the internal control system of a material nature and ensure that proper corrective action is taken. Any such matters shall be reported to the Board if necessary and appropriate.

**n) Review systems of Internal Financial Controls**

Review with the statutory auditors, and the senior internal auditor to the extent deemed appropriate by the Chairman of the Audit Committee, the adequacy of the Company's internal financial controls as defined in section 134 of the Companies Act, 2013.

**o) Review and ensure the existence, adequacy and effective functioning of a Vigil Mechanism/Whistleblower Policy appropriate to the size, complexity and geographic spread of the Company and its operations**

The Vigil mechanism/Whistleblower Policy set up/formulated by the Company shall provide for adequate safeguards against victimization of all persons referring any matter under the mechanism and shall also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. Matters referred and the action taken shall be regularly reported to the Audit Committee once a quarter or more frequently. The mechanism and policy shall cover whistleblower and complaint references of all kinds, including alleged fraud by or against the Company, abuse of authority, misbehavior, ill treatment and unfair treatment of all kinds including all allegations and charges of harassment, sexual or otherwise, whether made by a named complainant or anonymously. Complaints which are prima facie frivolous in the view of the Ethics Committee of the Company or other committee or group of individuals responsible for investigating complaints and taking suitable action may be closed with appropriate reasons recorded. If any of the members of the Audit Committee have

a conflict of interest in a given case, they should recuse themselves and the others on the Audit Committee would deal with the matter on hand.

**p) Review other matters**

Review such other matters in relation to the accounting, auditing and financial reporting practices and procedures of the Company as the Audit Committee may, in its own discretion, deem desirable in connection with the review functions described above.

**q) Reporting to Board**

Report its activities to the Board in such manner and at such times, as it deems appropriate.

**r) Investigation**

The Audit Committee has the authority to investigate any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose; it shall have full access to the information contained in the records of the Company. It may also investigate any activity within its term of reference. It has the authority to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors, if any and any other instance of a failure of legal compliance.

**s) Seek information / advice**

The Audit Committee may seek information from any employee and may obtain from external independent sources any legal or other professional advice it considers necessary in the performance of its duties. It may also secure attendance of independent professional persons with suitable qualifications and relevant experience in specific matters, if it considers this necessary.

**t) Approval for appointment of Chief Financial Officer**

The Audit Committee shall approve the appointment of the Chief Financial Officer of the Company (the Whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background etc. of the candidate.

**u) Review and monitor the Statement of Uses and Application of Funds**

Review and monitor, with the management, the statement of uses/ application of funds raised through an issue (public, rights, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of the public issue or rights issue, and make appropriate recommendations to the Board.

**v) Review of other information**

**The Audit Committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operation.
2. Statement of significant (material) related party transactions submitted by the management.

3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the chief internal auditor of the Company.
6. Inter- corporate loans and investments.
7. Valuation of undertakings and assets of the Company whenever necessary.

**w) Basis of Related Party Transactions**

1. The statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the Audit Committee.
2. Details of individual transactions with related parties, which are not in the normal course of business, shall be placed before the Audit Committee.
3. Details of individual transactions with related parties or others, which are not on an arm's length basis shall be placed before the Audit Committee together with the management's justification for the selection of the related party and the price and other terms agreed.
4. The Audit Committee shall be responsible for the approval or any subsequent modification of all transactions of the Company with related parties.
5. On satisfying itself adequately regarding the reasons for the related party transactions undertaken and the terms and conditions agreed including price and the observation of the arm's length principle, with suitable explanations for any departures, the Audit Committee shall periodically approve the related party transactions.

Explanation: (a) The term "Related Party Transactions" shall have the meaning as contained under section 188 of the Companies Act, 2013 and Regulation 2(1)(zc) and Regulation 23 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 which are currently in force or as may be amended from time to time.

(b) The term "Related Party" shall be as defined under section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 which are currently in force or as may be amended from time to time.

**x) To attend Annual General Meeting**

The Chairman of the Audit Committee shall attend the annual general meetings of the Company to provide any clarification on matters relating to its scope sought by the members of the Company.

The statutory auditors of the Company shall be special invitees to the Audit Committee meetings, and they shall participate in discussions related to the audit and reviews of the financial statements of the Company and any other matter that in the opinion of the statutory auditors needs to be brought to the notice of the Audit Committee or any matter in which they are invited by the Audit Committee to participate.

**y) Subsidiary Companies**

The Audit Committee of the holding company shall also review

the financial statements, in particular the inter-corporate loans and investments made by or in the subsidiary companies.

**z) Reporting of Fraud by the Auditors**

In case the auditor of the Company has sufficient reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, or by the Company, the auditor shall forward his report to the Audit Committee and the Audit Committee shall send its reply or observations to the auditor and such matters shall be reported to the Board by the Audit Committee.

**aa) Cost Auditor**

If the Company is required by the Companies Act, 2013 or other legal provision to appoint a cost auditor to have a cost audit conducted, the Audit Committee shall take into consideration the qualifications and experience of the person proposed for appointment as the cost auditor and recommend such appointment to the Board, together with the remuneration to be paid to the cost auditor.

**ab) Review of the Terms of Reference of the Audit Committee**

The Audit Committee shall review and reassess the adequacy of the terms of reference of the Audit Committee on a periodical basis, and where necessary obtain the assistance of the management, the Group's external auditors and external legal counsel.

**ac) Registered Valuer**

The Audit Committee shall prescribe terms and conditions of the appointment of a registered valuer, including the requisite qualifications and experience.

**Number of Meetings and dates on which they were held:**

Six meetings of the Audit Committee were held during the financial year under review. These were held on July 13, 2015, July 29, 2015, September 18, 2015, October 16, 2015, January 13, 2016 and January 17, 2016.

Attendance details of each member at the Audit Committee meetings held during the financial year ended March 31, 2016 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Amal Ganguli	Chairman	6	6
Mr. Keki Mistry	Member	6	5
Ms. Robin Ann Abrams	Member	6	6 <sup>^</sup>
Mr. Subramanian Madhavan	Member	6	6

<sup>^</sup> includes 2 meetings attended through conference call.

**2. Corporate Social Responsibility Committee**

As on March 31, 2016, the Corporate Social Responsibility (CSR) Committee comprises of three members including one Independent Director namely:

- a) Mr. Shiv Nadar (Chairman)
- b) Ms. Roshni Nadar Malhotra
- c) Mr. Subramanian Madhavan

**Terms of Reference**

The Terms of Reference of the CSR Committee are as under:

1. Formulate and recommend to the Board, a CSR Policy.
2. Recommend the amount of expenditure to be incurred on CSR activities.
3. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
4. Monitor the CSR policy from time to time.

During the financial year ended March 31, 2016, the CSR Committee met one time on October 16, 2015.

**3. Nomination and Remuneration Committee**

As on March 31, 2016, the Nomination and Remuneration Committee comprises of four members, with two of its members as Independent Directors, namely:

- a) Mr. Ramanathan Srinivasan (Chairman)
- b) Ms. Robin Ann Abrams
- c) Ms. Roshni Nadar Malhotra
- d) Mr. Shiv Nadar

**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 shall identify, screen and review candidates, inside or outside the Company and provide its recommendations to the Board.
- b) Review and recommend to the Board the appointment and removal of Directors/Key Managerial Personnel and persons in senior management.  
"Senior Management" shall mean corporate officers of the Company.
- c) Carry out evaluation of all Directors and Board performance.
- d) Recommend to the Board a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee while formulating the aforesaid policy shall ensure that-

1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. Remuneration of 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.

**Number of Meetings and dates on which they were held:**

During the financial year ended March 31, 2016, the Nomination and Remuneration Committee met four times on July 29, 2015, July 31, 2015, October 16, 2015 and January 15, 2016.

Attendance details of each member at the Nomination and Remuneration Committee, during the year ended March 31, 2016 are as follows:

Name of the Committee Member	Position	Number of Meetings held	Number of Meetings attended
Mr. Ramanathan Srinivasan	Chairman	4	4 <sup>^</sup>
Ms. Robin Ann Abrams	Member	4	4
Ms. Roshni Nadar Malhotra	Member	4	4 <sup>^</sup>
Mr. Shiv Nadar	Member	4	4

<sup>^</sup> includes 1 meeting attended through conference call.

**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 Directors 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 Directors do not receive any sitting fees for attending the Board and Committee meetings.

During the year, the composition of 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, 2016 from the Company/subsidiaries is as under:

Remuneration to Mr. Shiv Nadar from the Company:

Particulars	₹ / crores
Salary	7.60
Perquisites	1.23
Others:	
- Provident Fund	0.16
- Medical	0.01
- Mis. reimbursement	0.07
Contribution to Provident Fund	0.16
<b>Total</b>	<b>9.07</b>

In addition, Mr. Shiv Nadar received ₹ 3.53 crores as salary and perquisites from the subsidiaries of the Company. The overall compensation is in accordance with the approval given by the Board and Shareholders of the Company.

**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 pays commission to its Non-Executive Directors as approved by the Board within the limits approved by the shareholders of the Company. The amount of such commission, taken together for all Non-Executive Directors, does not exceed 1% of the net profits of the Company in a financial year. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

The sitting fees and commission paid/ payable to the Non-Executive Directors for the period ended from July 1, 2015 to March 31, 2016 are as under:

Name of the Director	Sitting Fees for the period July 1, 2015 to March 31, 2016 ₹/lacs	Commission for the period July 1, 2015 to March 31, 2016 ₹/lacs
Mr. Amal Ganguli	2.40	57
Mr. Keki Mistry	1.40	47
Mr. Ramanathan Srinivasan	1.20	82
Ms. Robin Ann Abrams	1.60	84
Ms. Roshni Nadar Malhotra	0.60	44
Mr. Subramanian Madhavan	2.40	53
Mr. Sudhindar Krishan Khanna	1.20	44
Dr. Sosale Shankara Sastry	0.60	69
Mr. Thomas Sieber*	0.20	37

Note: - The service tax on commission amounting to ₹ 74.97 lacs shall be paid by the Company.

\* Mr. Thomas Sieber was appointed as a Director of the Company w.e.f. October 17, 2015.

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 Companies Act and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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:

- To create a transparent system of determining the appropriate level of remuneration throughout all career levels and roles of the Company.
- Motivate the Directors, Key Managerial Personnel and other employees, to perform to their maximum potential.
- To reward performance and meritocracy, based on review of achievements on a regular basis and to ensure that it is in consonance and benchmarked with the existing industry practices.
- Allow the Company to compete in each relevant employment market.
- Provide consistency in remuneration and benefits throughout the Company.
- 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 shareholders' 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 and other employees**

The Company's remuneration policy of Key Managerial Personnel (other than Executive Directors covered above) and other employees is driven by the success and performance of the Company. Through its compensation programme, the Company endeavours 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 policy shall be disclosed in the Board Report, Annual Report and such other places as may be required by the Act and rules framed thereunder, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (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, 2016 the Finance Committee comprises of the following members:

- a) Mr. Amal Ganguli (Chairman)
- b) Mr. Ramanathan Srinivasan
- c) Mr. Shiv Nadar
- d) Mr. Subramanian Madhavan
- e) Mr. Sudhindar Krishan Khanna

**Terms of Reference**

The Terms of Reference of the Finance Committee are as under:

- a) To review and approve the capital structure plans and specific equity and debt financings and recommend the same for approval to the Board.
- b) To review and approve the annual budgets and other financial estimates and provide its recommendations to the Board.
- c) To review the actual performance of the Company against the budgets.

- d) To review and approve the capital expenditure plans and specific capital projects and to recommend the same to the Board for approval.
- e) To evaluate the performance of and returns on approved capital expenditure.
- f) To consider and approve the proposal which involves funding assets on operating and / or financial lease in the normal course of business.
- g) To review and approve the proposals for mergers, acquisitions and divestitures and provide its recommendations to the Board.
- h) To evaluate the performance of acquisitions.
  - i) To consider and approve the proposals for fresh investments by way of infusion of capital and/or providing of loan and any further investments (by capital / loan) in wholly owned subsidiaries / branches and providing any guarantees for funding the same.
  - j) To evaluate the performance of subsidiaries / JVs / branches.
  - k) To plan and strategize for managing the foreign exchange exposure - The Committee to approve the hedging policy and monitor its performance.
  - l) To approve the investment policy and review the performance thereof.
  - m) To recommend dividend policy to the Board.
  - n) To review and approve the insurance coverage and program for the Company.
  - o) To consider and approve the guarantees / bonds provided by the Company either directly or through banks in connection with the Company's business.
  - p) To approve opening / closing of bank accounts of the Company and change in signatories for operating the bank accounts.
  - q) To perform any other activities or responsibilities assigned to the Committee by the Board of Directors from time to time.
  - r) To delegate authorities from time to time to the Executives / Authorised Persons to implement the decisions of the Committee within the powers authorised above.

During the financial year ended March 31, 2016, the Committee met 2 times.

**5. Stakeholders' Relationship Committee**

As on March 31, 2016, the Stakeholders' Relationship Committee comprised of the following members:

- a) Mr. Subramanian Madhavan (Chairman)
- b) Ms. Roshni Nadar Malhotra
- c) Mr. Shiv Nadar

**Terms of Reference**

The Stakeholders' Relationship Committee has been formed to undertake the following activities:

- a) To review and take all necessary actions for redressal of grievances and complaints of security holders as may be required in the interests of the security holders.



- b) To approve requests of rematerialisation of shares/ securities, issuance of split and duplicate shares/security certificates.

During the year under review, the Committee met 12 times.

**Name, Designation and Address of Compliance Officer**

Mr. Manish Anand  
 Vice President & Company Secretary  
 HCL Technologies Limited  
 Technology Hub, Special Economic Zone  
 Plot No.: 3A, Sector 126, Noida-201 304, UP, India  
 Tel. +91-120-6125000  
 Fax: +91-120-4683030  
 E-mail: [manishanand@hcl.com](mailto:manishanand@hcl.com)

**Investors' Grievances**

The following table shows the Shareholders' complaints received during the financial year ended March 31, 2016:

Source of Complaint	Received	Resolved
Directly from the Investors	18	18
Through SEBI, Stock Exchanges, etc.	5	5
<b>Total</b>	<b>23</b>	<b>23</b>

**6. Employees' Stock Option Allotment Committee**

The Employees' Stock Option Allotment Committee comprised of the following members:

- a) Mr. Shiv Nadar
- b) Mr. Subramanian Madhavan
- c) Mr. Anil Kumar Chanana

This Committee has been formed to allot shares to the employees who have exercised their stock options under the Stock Option Plans of the Company.

During the financial year under review, the Committee met 13 times.

**7. Risk Management Committee**

As on March 31, 2016, the Risk Management Committee comprises of the following members:

- a) Mr. Amal Ganguli (Chairman)
- b) Mr. Keki Mistry
- c) Ms. Robin Ann Abrams
- d) Mr. Subramanian Madhavan

The terms of reference of the Risk Management Committee are as follows:

- 1) 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.
- 2) To assist the Board in taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities.
- 3) To review and approve the Risk Management Policy and associated framework, processes and practices.

- 4) To evaluate significant risk exposures including business continuity planning and disaster recovery planning.
- 5) To Assess management's actions in mitigating the risk exposures in a timely manner.
- 6) 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.
- 7) 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.
- 8) To maintain an aggregated view on the risk profile of the Company/ Industry in addition to the profile of individual risks.
- 9) To ensure the implementation of and compliance with the objectives set out in the Risk Management Policy.
- 10) 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.
- 11) To review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
- 12) The Committee shall have access to any internal information necessary to fulfill its oversight role. As and when required the Committee may assign tasks to the Internal Auditor, the Company's internal Risk Management Team and any external expert advisors considered necessary for any task and they will provide their findings to the Committee.

During the year under review, the Committee met once on January 13, 2016.

**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 and Chief Financial Officer. 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 Nominations & 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.

**Materially significant related party transactions**

All contracts / arrangements / transactions entered by the Company

during the financial year with related parties were in the ordinary course of business and on an arm's length basis. There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its Directors, management, subsidiary or relatives, except for those disclosed in the financial statements for the year 2015-16. A Policy on Related Party Transactions formulated pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges and approved by the Board is available on the website of the Company at <http://www.hcltech.com/about-us/corporate-governance/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. For Independent Directors the COBEC also includes duties as mentioned in Schedule IV of the Companies Act, 2013. COBEC is periodically reviewed taking into account the prevailing business and ethical practices. The Code is also posted on the website of the Company.

All Board members and senior management personnel have confirmed compliance with the Code for the year 2015-16. A declaration to this effect signed by the Chairman & Chief Strategy Officer and CEO of the Company is provided elsewhere in this Report.

### **Code for Prevention of Insider Trading**

The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The 'Insider Trading Code' for prevention of insider trading inter-alia prohibits purchase/sale of shares of the Company by employees/Directors while in possession of unpublished price sensitive information in relation to the Company. The Company within two working days of receipt of the information under the Initial and Continual disclosures from Directors shall disclose the same to all the Stock Exchanges, where the shares of the Company are listed.

### **Anti-Bribery Policy and Anti-Corruption Policy**

To ensure the Company's policy for conducting its business activities with honesty, integrity and highest possible ethical standards and company's commitment towards prevention, deterrence and detection of fraud, bribery and other corrupt business practices, the Company has in place an Anti-Bribery and Anti-Corruption Policy that applies to the employees at all levels, Directors, consultants, agents and other persons associated with the Company, its affiliates and subsidiaries. This Policy covers matters relating to hospitality, offset obligations, employment of relatives, guidance on gifts, political/ charitable contributions, extortion/ blackmail responses etc. The same is available on the Company's website [www.hcltech.com](http://www.hcltech.com).

### **Prevention and Redressal of Sexual Harassment at Work Place Policy**

In order to provide a safe and healthy work environment free of any

hazles and all kinds of harassment including sexual harassment and to prevent and redress such harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Work Place Policy. This policy applies to all employees of the Company, its group companies and joint ventures operating out of India like regular, temporary, ad hoc, daily wagers, contractual staff, vendors, clients, consultants, trainees, probationers, apprentices, contract labour and also all visitors to the Company. Any complaints about harassment shall be treated under this policy. This Policy is not confined to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours but also includes any place visited by the employee arising out of or during 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, 2016, the Company has received 6 complaints on sexual harassment that were classified as significant incidents for investigation, all of which were disposed and appropriate actions taken and no complaints remain pending as of March 31, 2016.

### **Whistle Blower Policy**

The principles of trust through transparency and accountability are at the core of the Company's existence. To ensure strict compliance with ethical and legal standards across the company, a Whistle Blower Policy is in place to provide appropriate avenues to the Directors, employees, contractors, contractors' employees, clients, vendors, internal or external auditors, consultants, law enforcement /regulatory agencies or other third parties to bring to the attention of the management any issues which are perceived to be of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Whistle Blower Policy. All cases registered under the Whistle Blower Policy of the Company are reported to the Ombudsperson. All complaints received are categorized in two broad categories, one involving complaints against the CEO/CFO/CHRO/ President/Corporate Officers which shall be investigated by the Company Chairman's Office and the one against other employees which shall be investigated by Ombudsperson. The Whistle Blower has direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Audit Committee reviews the Policy and process periodically to ensure the existence, adequacy and effective functioning of the Policy and that there are no gaps in the implementation of the Policy. An update on whistle blower cases is also provided to the Audit Committee and no employee is denied access to the Audit Committee.

### **Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India**

The Institute of Company Secretaries of India has issued Secretarial Standards on important aspects like Board meetings, General meetings, payment of dividend, maintenance of registers and records, Board's report etc. The Secretarial Standards on Board Meeting (SS-1) and on General Meeting (SS-2) is compulsory for all the companies w.e.f. July 1, 2015. The Company adheres to these standards. Although the other standards are optional in nature, the Company substantially adheres to the other standards on a voluntary basis.

**General Body Meetings**

The location and time of the Annual General Meetings held and details of Special Resolutions passed thereat during the preceding 3 years are as follows:

Financial Year	Date	Time	Venue	Details of Special Resolution passed
2012-13	December 27, 2013	11.00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	Approval u/s 309(4)(b) of the Companies Act, 1956 for payment of commission not exceeding one percent of net profits of the Company to all the Non-Executive Directors of the Company collectively in each financial year over a period of five years beginning from July 1, 2013.
2013-14	December 4, 2014	11.00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	<ol style="list-style-type: none"> <li>Approval u/s 197 of the Companies Act, 2013 for payment of commission not exceeding one percent per annum of net profits of the Company to all the Non-Executive Directors of the Company collectively in each financial year over a period of five years beginning from July 1, 2014 and extending upto and including the financial year of the Company ending on March 31, 2019.</li> <li>Approval u/s 196(3)(a) of the Companies Act, 2013 for Mr. Shiv Nadar to continue as the Managing Director of the Company, beyond the age of 70 years, till the end of his tenure as Managing Director ending on January 31, 2017.</li> </ol>
2014-15	December 22, 2015	11:00 A.M.	FICCI Auditorium, Federation House, 1, Tansen Marg, New Delhi-110001	<ol style="list-style-type: none"> <li>Implementation of the 2004 Stock Option Plan ('ESOP Plan') through trust mechanism</li> <li>Authorization for secondary acquisition of shares under 2004 Stock Option Plan</li> </ol>

**Details of resolutions passed through Postal Ballot:**

No resolution was passed through Postal Ballot during the financial year ended March 31, 2016. No resolution is immediately proposed to be passed through Postal Ballot.

**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 <http://www.hcltech.com/about-us/corporate-governance/governance-policies> However, during the year, none of the subsidiaries was a material non-listed Indian subsidiary Company as per the criteria given in 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 statements of significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are placed before the Board of Directors of the Company from time to time.

**CEO/ CFO Certification**

The Certificate as stipulated in Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II was placed before the Board along with the financial statements for the year ended March 31, 2016 and the Board reviewed the same. The said Certificate is provided elsewhere in the Annual Report.

**Disclosures**

**a) Related party transactions**

During the year under review, the Company has not entered

into any transaction of a material nature with its subsidiaries, promoters, Directors, the management, senior management personnel, their relatives, etc., that may have any potential conflict with the interest of the Company. The Company has obtained requisite declarations from all Directors and senior management personnel in this regard and the same were placed before the Board of Directors.

**b) Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

**c) Other Disclosures**

- The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- During the year, the Company did not raise any money through public issue, right issues or preferential issues and there was no unspent money raised through such issues.
- In terms of the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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.

**Means of Communication**

- Quarterly Results:** Quarterly Results of the Company are generally published inter alia, in Mint and Hindustan.
- Website:** Company's corporate website [www.hcltech.com](http://www.hcltech.com) provides comprehensive information on 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 Reports as well as quarterly, half yearly, annual financial statements, releases and shareholding pattern are available in downloadable format as a measure of added convenience to the investors.
- 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](http://www.hcltech.com). Official media releases are also sent to the Stock Exchanges.
- Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director's 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.
- Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.
- 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. <https://listing.bseindia.com>.
- h) **Designated Exclusive email- id:** The Company has the following designated e-mail ID: [investors@hcl.com](mailto: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.

Electronic copies of the Annual Report 2015-16 and notice of the twenty fourth AGM will be sent to all the members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016 and notice of twenty fourth AGM shall be sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company sends the communications to the shareholders by electronic mode. The shareholders of the Company are requested to register their email addresses with their depository participants to ensure that the annual report and other documents reaches them on their preferred email address. Shareholders who hold shares in

physical form are requested to register their email addresses with the registrar and 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: <http://www.hcltech.com/investors/fast-facts>. Additionally Conference Calls, Management Interviews, Face to Face Investor Meetings and Annual General Meetings ensure a direct interaction of market participants with the Management Team.

A comprehensive "Fair Disclosure Code", for the fair disclosure of Unpublished Price Sensitive Information for all stakeholders, has also been formulated and implemented in line with the SEBI guidelines to ensure the compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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.

**General Shareholder Information**

a.	Annual General Meeting: Date Time Venue	: September 27, 2016 11.00 A.M. India Habitat Centre, Lodhi Road, New Delhi - 110 003
b.	Financial Year	: July 1, 2015 – March 31, 2016
c.	Date of Book Closure	: September 20, 2016 to September 23, 2016 both days inclusive)
d.	Dividend Payment Date (subject to approval of shareholders)	: N.A.
e.	Listing of Equity Shares on stock exchanges in India at	: The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, India. Tel.: +91–22–26598236, Fax: +91–22–26598237 BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel.: +91–22–22721233, Fax: +91–22–22723121
f.	Stock Codes	: NSE – HCLTECH BSE – 532281
g.	ISIN for Equity Shares	: INE860A01027
h.	Listing of Non–Convertible Debentures on stock exchanges in India	: N.A.
i.	Debenture Trustee	: N.A.
j.	ISIN for Debentures	: N.A.
k.	Listing Fees	: Paid to all Stock Exchanges for the year 2016–17
l.	Corporate Identity Number (CIN) of the Company	: L74140DL1991PLC046369
m.	Registered Office	: 806, Siddharth, 96, Nehru Place, New Delhi – 110 019, India Tel.: +91–11–26444812, Fax: +91–11–26436336 Homepage: <a href="http://www.hcltech.com">www.hcltech.com</a>

**n. Stock Market Price Data**

The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for 9 months ended from July 1, 2015 to March 31, 2016 are as follows:

Month	Share price on BSE		BSE-Sensex	
	High(₹)	Low(₹)	High(₹)	Low(₹)
July 2015	1,004.95	912.90	28,578.33	27,416.39
August 2015	997.00	884.95	28,417.59	25,298.42
September 2015	985.50	906.50	26,471.82	24,833.54
October 2015	915.00	811.35	27,618.14	26,168.71
November 2015	889.00	822.90	26,824.30	25,451.42
December 2015	885.00	827.00	26,256.42	24,867.73
January 2016	870.85	798.00	26,197.27	23,839.76
February 2016	889.80	785.85	25,002.32	22,494.61
March 2016	865.95	800.40	25,479.62	23,133.18

Source: This information is compiled from the data available from the website of BSE.

Month	Share Price on NSE		NSE-Nifty	
	High(₹)	Low(₹)	High(₹)	Low(₹)
July 2015	1,006.00	912.25	8,654.75	8,315.40
August 2015	997.70	884.00	8,621.55	7,667.25
September 2015	989.70	906.45	8,055.00	7,539.50
October 2015	914.80	811.10	8,336.30	7,930.65
November 2015	889.50	823.20	8,116.10	7,714.15
December 2015	885.70	826.00	7,979.30	7,551.05
January 2016	870.00	798.05	7,972.55	7,241.50
February 2016	889.90	784.95	7,600.45	6,825.80
March 2016	866.35	799.90	7,777.60	7,035.10

Source: This information is compiled from the data available from the website of NSE.

**o. Registrar & Shares Transfer Agent:**

Alankit Assignments Limited  
205-208, Anarkali Market,  
Jhandewalan Extension,  
New Delhi - 110 055, India.  
Tel.: +91-11-42541234, 23541234  
Fax: +91-11-42541967  
E-mail: [rta@alankit.com](mailto:rta@alankit.com)

**p) Share Transfer System**

99.95% of the equity shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been

delegated to the Company's officials who generally consider and approve the share transfer requests on a fortnightly basis.

The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.

As on March 31, 2016, no equity share was pending for transfer.

**q) Reconciliation of Share Capital Audit Report**

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the reconciliation of share capital audit report on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and the total issued and listed capital for each of the quarter in the financial year ended March 31, 2016 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, 2016**
**i) Distribution of shareholding as on March 31, 2016**

Number of Equity Shares held	No. of Shareholders	Shareholders (%)	No. of Shares	Shares (%)
1 - 100	1,11,479	74.34%	36,65,506	0.26%
101 - 200	15,970	10.65%	25,97,944	0.18%
201 - 500	11,977	7.99%	41,55,892	0.29%
501 - 1000	4,116	2.74%	31,16,188	0.22%
1001 - 5000	3,508	2.34%	80,61,061	0.57%
5001 - 10000	906	0.60%	65,35,684	0.46%
10001 and above	1,996	1.33%	1,38,22,49,039	98.01%
<b>Total</b>	<b>1,49,952</b>	<b>100.00%</b>	<b>1,41,03,81,314</b>	<b>100.00%</b>

**ii) Categories of equity shareholders as on March 31, 2016**

Category	Number of shares held	Voting Strength (%)
Promoters	85,15,69,308	60.38%
Mutual Funds/ UTI	6,14,25,705	4.36%
Financial Institutions/ Banks	19,10,119	0.14%
Insurance Companies	1,68,72,761	1.20%
Foreign Portfolio Investors	37,99,34,660	26.94%
Foreign Banks	1,200	0.00%
Bodies Corporate	4,44,39,378	3.15%
Individuals	4,10,13,444	2.91%
NRIs / OCBs	72,10,492	0.51%
NBFC's registered with RBI	1,76,651	0.01%
Foreign Nationals	74,767	0.01%
Trusts	23,55,820	0.17%
Alternate Investment Funds	6,000	0.00%
HUF	5,11,076	0.04%
Clearing Members	28,79,933	0.20%
<b>Grand Total</b>	<b>1,41,03,81,314</b>	<b>100.00%</b>

**s) Dematerialization of Shares and liquidity**

The shares of the Company are under compulsory dematerialization ("Demat") category and consequently, shares of the Company can be traded only in electronic form.

The system for getting the shares dematerialized is as under:

- a. Share certificate(s) along with Demat Requisition Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account.
- b. DP processes the DRF and generates a unique number viz. DRN.
- c. DP forwards the DRF and share certificates to the Company's Registrar & Shares Transfer Agent.
- d. The Company's Registrar & Shares Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- e. Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on March 31, 2016, about 99.95% of the equity shares issued by the Company are held in dematerialized form.

The Company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

Company's ISIN in NSDL & CDSL for Equity Shares: INE860A01027.

Since the trading in the shares of the Company can be done only in electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialized.

**t) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

**u) Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, the dividend amounts which have remain unpaid or unclaimed for a period of seven years from the date of declaration have been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government pursuant to Section 205C of the said Act. Shareholders who have not 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 unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof either with the Company or IEPF.

Financial Year	Type of Dividend	Date of Declaration	Due Date for transfer to IEPF
2008-09	Final	December 8, 2009	January 7, 2017
2009-10	Interim	October 28, 2009	November 27, 2016
	Interim	January 25, 2010	February 24, 2017
	Interim	April 21, 2010	May 21, 2017
	Final	October 28, 2010	November 27, 2017
2010-11	Interim	October 20, 2010	November 19, 2017
	Interim	January 19, 2011	February 18, 2018
	Interim	April 20, 2011	May 20, 2018
	Final	November 2, 2011	December 2, 2018
2011-12	Interim	October 18, 2011	November 17, 2018
	Interim	January 17, 2012	February 18, 2019
	Interim	April 18, 2012	May 21, 2019
	Final	October 22, 2012	November 24, 2019
2012-13	Interim	October 17, 2012	November 19, 2019
	Interim	January 17, 2013	February 17, 2020
	Interim	April 17, 2013	May 17, 2020
	Final	December 27, 2013	January 30, 2021
2013-14	Interim	October 17, 2013	November 16, 2020
	Interim	January 16, 2014	February 15, 2021
	Interim	April 17, 2014	May 17, 2021
2014-15	Interim	July 31, 2014	August 30, 2021
	Interim	October 17, 2014	November 16, 2021
	Interim	January 30, 2015	March 1, 2022
	Interim	April 21, 2015	May 21, 2022
2015-16	Interim	Aug 3, 2015	September 2, 2022
	Interim	October 19, 2015	November 9, 2022
	Interim	January 19, 2016	February 18, 2023

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on December 22, 2015 (date of last Annual General Meeting) on the Company's website: [www.hcltech.com](http://www.hcltech.com) and on the website of the Ministry of Corporate Affairs.

**v) Financial Calendar (tentative and subject to change)**

Financial reporting for the first quarter ending June 30, 2016	August 1-2, 2016
Financial reporting for the second quarter ending September 30, 2016	October 19-20, 2016
Financial reporting for the third quarter and year ending December 31, 2016	January 18-19, 2017
Financial reporting for the fourth quarter and year ending March 31, 2017	April 26-27, 2017
Annual General Meeting for the year ending March 31, 2017	August - September, 2017

**w) Address for Shareholders' correspondence**

The Secretarial Department  
HCL Technologies Limited  
Technology Hub, Special Economic Zone  
Plot No. 3A, Sector 126, Noida-201 304, UP, India  
Tel. +91-120-6125000  
Fax: +91-120-4683030  
E-mail: [manishanand@hcl.com](mailto:manishanand@hcl.com)

**x) Compliance Certificate on the Corporate Governance from the Auditors**

The certificate dated April 28, 2016 obtained from Statutory Auditors of the Company, M/s. S.R. Batliboi & Co.LLP, confirming compliance with the Corporate Governance requirements as stipulated under Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed hereto.

**y) Centers' Locations****Chennai – STPI**

64 & 65, Second Main Road,  
Ambattur Industrial Estate, Ambattur (AMB-3)  
Chennai- 600 058, India  
Tel.: +(91) 044 2613 3300  
Fax: +(91) 044 4218 0653

D-12, 12B, Ambattur Industrial Estate,  
Ambattur (AMB-1),  
Chennai- 600 058, India  
Tel.: +(91) 044 2623 0711  
Fax: +(91) 044 2624 4213

8, South Phase, MTH Road,  
Ambattur Industrial Estate Ambattur (AMB-6)  
Chennai- 600 058, India  
Tel: +(91) 044 43968000  
Fax: +(91) 044 43967004

94, South Phase Ambattur Industrial Estate,  
Ambattur (AMB-4)  
Chennai- 600 058, India  
Tel: +(91) 044 4226 2222  
Fax: +(91) 044 4215 3333

73-74, South Phase,  
Ambattur Industrial Estate Ambattur (AMB-5),  
Chennai- 600 058, India  
Tel: +(91) 044 4393 5000  
Fax: +(91) 044 4206 0441

Arihant Technopolis  
4/293 Old Mahabalipuram Road,  
Kandanchavadi, Chennai- 600 096, India  
Tel.: +(91) 044 43957777  
Fax: +(91) 044 43953445

Block-1, No. 84, Greams Road,  
Thousand Lights,  
Chennai- 600 006, India  
Tel.: +(91) 044 6622 5522

**Chennai SEZ**

ETA-Techno Park,  
SPECIAL ECONOMIC ZONE,  
33, Rajiv Gandhi Salai,  
Navallur Village and Panchayat,  
Thiruporur Panchayat Union,  
Chengalpet Taluk, Kanchipuram Dist,  
Chennai- 603 103  
Tel.: +(91) 044 4746 1000  
Fax: +(91) 044 6741 2222

ELCOT–SEZ Special Economic Zone,  
602/3, 138, Shollinganallur Village,  
Shollinganallur - Medavakkam High Road,  
Tambaram Tamil Nadu, Kancheepuram (Dist),  
Chennai- 600 119, India  
Tel.: +(91) 044 61050000  
Fax: +(91) 044 43325443

**Noida - STPI**

A- 9, 10 &11, Sector 3,  
Noida-201301, U.P., India  
Tel.: +(91) 0120 2520917  
Fax: +(91) 0120 2520907

A11, Sector 16,  
Noida-201301, U.P., India  
Tel.: +(91) 0120 4383000  
Fax: +(91) 0120 2510713

Plot No 1 & 2, Noida Express Highway,  
Sector-125, Noida-201301, U.P., India  
Tel.: +(91) 120 4046000  
Fax: +(91) 120 4258946

A- 8 & 9, Sector 60,  
Noida-201301, U.P., India  
Tel.: +(91) 0120 4384000  
Fax: +(91) 0120 4384606

C – 22 A, Sector 57,  
Noida-201301,U.P., India  
Tel.: +(91) 0120 4385000  
Fax: +(91) 0120 2586420

C-49, Sector 57,  
Noida-201301,U.P., India  
Tel.: +(91) 0120 3387000  
Fax.: +(91) 0120 4120303

B 39, Sector 1,  
Noida-201301,U.P., India  
Tel.: +(91) 0120 4024700  
Fax: +(91) 0120 2425833

A 2, Sector 3,  
Noida-201301, U.P., India  
Tel.: + (91) 0120 2520917  
Fax: +(91) 0120 2526907

A - 22, Sector 60,  
Noida-201301,U.P., India  
Tel.: +(91) 0120 4365700  
Fax: +(91) 0120 4347485

A-104, Sector 58,  
Noida-201301,U.P., India  
Tel: +(91) 0120 4364200  
Fax: +(91) 0120 2589688

B-34 / 3, Sector 59,  
Noida-201301,U.P., India  
Tel.: +(91) 0120 4364488  
Fax: +(91) 0120 2589688

C-23, Sector 58,  
Noida-201301, U.P., India  
Tel.: +(91) 120 4364200  
Fax: +(91) 120 2490428

**Noida SEZ**

Noida Technology Hub (SEZ)  
Plot No: 3A, Sector-126,  
Noida-201303 U.P., India  
Tel: +(91) 0120 4683000  
Fax: +(91) 0120 4683030

**Madurai- STPI**

SPA IT Towers, Survey No. 155/1 and 155/2,  
120 Feet Road, Near Preethi Hospital,  
Opp. Mattuthavani Bus Stand,  
Madurai-625020,  
Tamil Nadu, India  
Tel.: +(91) 0452 4022600

**Bangalore – STPI**

No-137, Ground Floor,  
Vayu Block, 'B' Wing,  
Salarpuria GR Tech Park, Whitefield,  
Bangalore-560066.  
Tel.: +(91) 080 49214600

SJR Equinox, Survey No. 47/8,  
Dhodda Thogur Village, Begur Hobli,  
Electronic City- 1<sup>st</sup> phase,  
Bangalore-560100  
Tel.: +(91) 080 33209000  
Fax: +(91) 080 33208000

**Bangalore SEZ**

Special Economic Zone,  
129, Tower-1 Jigani Industrial Area,  
Bommasandra Jigani Link Road,  
Bangalore-562106  
Tel.: +(91) 080 67810000  
Fax: +(91) 080 66311111

Special Economic Zone,  
129, Tower-4 Jigani Industrial Area,  
Bommasandra Jigani Link Road,  
Bangalore-562106  
Tel.: +(91) 080 67813001

**Gurgaon – STPI**

Plot No CP-3, Sector - 8,  
Techno Park, Manesar-122052  
Haryana, India  
Tel.: +(91) 0124 6186000  
Fax: +(91) 0124 4012518

**Kolkata - STPI**

SDF Building, 1<sup>st</sup> & 3<sup>rd</sup> Floors,  
Module Nos. 212-214, 228-230 & 413,  
Block-GP, Sector-V, Salt Lake,  
Kolkata-700091, India  
Tel.: +(91) 033 23573024-25  
Fax: +(91) 033 23573027

**Kolkata -Non STPI**

22 Camac Street,  
Block 'A' A-4 (I), Fourth Floor,  
Kolkata-700016  
Tel.: +(91) 033 40097300/033 22811113  
Fax: +(91) 033 22811122 / 24

**Ranchi -Non STPI**

1st Floor, Doranda House,  
Hotel Yuvraj Campus,  
Near Rajendra Chowk Doranda,  
Ranchi-834002  
Tel.: +(91) 0651 2482972

**Hyderabad - SEZ**

H08, Building, HITEC CITY-2  
Phoenix Infocity SEZ,  
Survey No. 30,34,35 & 38, Madhapur,  
Hyderabad-500081  
Land Mark: Behind Cyber Gateway.  
Tel.: +(91) 040 30941000.

"Surya Sapphire", Plot No.3,  
1<sup>st</sup> Phase, Electronic City,  
Bangalore-560100.  
Tel.: + (91) 080 66267000  
Fax: +(91) 080 28529100

Karle Town Centre  
Survey Nos. 72, 91/3 and 91/4,  
Nagavara Vill, Kasaba Hobli,  
Bangalore

Special Economic Zone,  
129, Tower-2 Jigani Industrial Area,  
Bommasandra Jigani Link Road,  
Bangalore-562106  
Tel.: +(91) 080 67810000

**Gurgaon – Non STPI**

Plot No. 243, Udyog Vihar Phase 1,  
Dundahera, Gurgaon-122016  
Haryana, India  
Tel.: +(91) 0124 4421201

**Kolkata - SEZ**

M/s. Unitech Hi-Tech Structures Ltd.  
Special Economic Zone-IT/ITES  
Plot No.1, Block No. A2, 3<sup>rd</sup> & 4<sup>th</sup> Floors,  
DH Street, 316 New Town, Rajarhat,  
Dist. North 24 Parganas,  
Kolkata-700156, India  
Tel.: +(91) 033 30272350

**Patna -Non STPI**

Room No-302,  
3rd Floor Verma Centre,  
Boring Road Chowk,  
Patna-800001  
Tel.: +(91) 0612 2540315  
Fax: +(91) 0612 2540315

**Bhubaneswar -Non STPI**

Plot No,1119/4066,  
Ground Floor, Jaya Durga Nagar,  
Cuttack Road,  
Bhubaneswar-751006  
Tel.: +(91) 0674 3244811 / 0674 6006016

Regional Office , 4th Floor, 501-503,  
Oxford House, No.15, Rustam Bag Road,  
Behind Manipal Hospital,  
Old Airport Road,  
Bangalore-560017

Special Economic Zone,  
129, Tower-3 Jigani Industrial Area,  
Bommasandra Jigani Link Road,  
Bangalore-562106  
Tel.: +(91) 080 67812000  
Fax: +(91) 080 66311111

Business Services,  
Pawani Plaza, 6-3-698/A  
Hyderabad, TG (India)  
Tel.: +(91) 040 42027025

H01B, HITEC CITY-2,  
Survey No. 30,34,35 & 38,  
Phoenix Infocity Pvt. Ltd.  
Behind Cyber Gateway,  
Madhapur, Hyderabad-500081  
Tel: + (91) 040 30904000



**Pune –STPI**

Wing 01, Tower A,  
Survey No. 103, Hissa No. 2,  
Airprot Road, Yerwada,  
Pune-411006

**Pune – Non STPI**

"Commerzone", Unit# 401,  
4<sup>th</sup> Floor, Building 7 Samrat Ashoka Path,  
Opp. Airport Road Yerwada,  
PUNE (Maharashtra)-411006  
Tel.: +(91) 020 67279007  
Fax: +(91) 020 67279008

"The Chambers", Unit No.201,  
2<sup>nd</sup> Floor Viman Nagar,  
Taluka Haveli, Village Lohagaon,  
Pune-411014  
Tel.: +(91) 020 66438803

**Pune SEZ**

Tower-7, Upper Ground Floor,  
Wing A&B Magarpatta SEZ Hadapsar,  
Pune-400013  
Tel.: +(91) 020 30406300-01

**Coimbatore - Non STPI**

KCT Tech Park,  
Kumaraguru College of Technology Campus,  
Coimbatore -641035

**Coimbatore - SEZ**

Module 201 to 203,  
Tidel Park Coimbatore Limited  
ELCOT SEZ - ITITES Villankurichi Road,  
Civil Aerodrome Post,  
Coimbatore -641004 India  
Tel.: +(91) 0422 6657525

**Compliance with mandatory and non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides certain mandatory requirements which have to be fulfilled by the Company. The Company has complied with all the mandatory requirements of the Listing regulations. 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-mails, 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](http://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 endeavor to present unqualified financial statements. There is no audit qualification in the Company's financial statements for the year ended March 31, 2016.

**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. Anant Gupta is the CEO of the Company.

**4. Reporting of Internal Auditor**

The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

## **AUDITORS' CERTIFICATE**

### **REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE PURSUANT TO SCHEDULE II READ WITH REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To**

**The Members of HCL Technologies Limited**

We have examined the compliance of conditions of corporate governance by HCL Technologies Limited, for the financial year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

**per Tridibes Basu**

Partner

Membership No.: 17401

Gurgaon, Haryana

April 28, 2016

**DECLARATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO SCHEDULE V(D) READ WITH  
REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015**

We, Shiv Nadar, Chairman & Chief Strategy Officer and Anant Gupta, President & Chief Executive Officer of HCL Technologies Limited ("the Company") confirm that the Company has adopted a Code of Business Ethics and Conduct ("Code of Conduct") for its Board members and senior management personnel and the Code of Conduct is available on the Company's web site.

We, further confirm that the Company has in respect of the financial year ended March 31, 2016, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

**Shiv Nadar**  
Chairman and Chief Strategy Officer

**Anant Gupta**  
President and Chief Executive Officer

Place: Noida (U.P.), India  
Date : April 28, 2016

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)  
PURSUANT TO PART B SCHEDULE II READ WITH 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, 2016 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;
  - (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 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.

**Anant Gupta**  
President & Chief Executive Officer

**Shiv Nadar**  
Chairman and Chief Strategy Officer

**Anil Chanana**  
Chief Financial Officer

Place: Noida (U.P.), India  
Date: April 28, 2016

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# **Financial Statements**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of HCL Technologies Limited

#### Report on the Financial Statements

We have audited the accompanying Standalone Financial Statements of HCL Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the financial year (nine months period - July 1, 2015 to March 31, 2016) then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the financial year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the Directors as on March 31, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2016;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as of March 31, 2016;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

#### For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E

#### per Tridibes Basu

Partner

Membership Number: 17401

Place of Signature: Gurgaon, India

Date: April 28, 2016



**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

**Re: HCL Technologies Limited (the Company)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them in phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification conducted during the financial year.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the financial year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect investments made and, guarantees given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961#	Income Tax	47,920	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	25,126,272	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	15,730,230	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	131,323,113	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	355,749,760	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	2,095,846	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	402,841,530	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,958,374	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,909,207,468	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	93,002,545	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,669,402,243	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961#	Income Tax	681,495	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	149,077,352	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10,326,000	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	139,044,529	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	15,398,052	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961*	Income Tax	62,522,590	2004-05	Delhi High Court
Income Tax Act, 1961	Income Tax	1,864,476	2004-05	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	24,739,773	2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961#	Income Tax	136,945	2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	18,585,000	2003-04	Delhi High Court
Income Tax Act, 1961*	Income Tax	77,905,852	2003-04	Delhi High Court
Income Tax Act, 1961	Income Tax	460,381,404	2003-04	Supreme Court
Income Tax Act, 1961*	Income Tax	24,403,221	2003-04	Delhi High Court

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961*	Income Tax	220,755,862	2002-03	Delhi High Court
Income Tax Act, 1961	Income Tax	1,770,000	2002-03	Delhi High Court
Income Tax Act, 1961	Income Tax	115,439,700	2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	14,789,871	2002-03	Supreme Court of India
Income Tax Act, 1961	Income Tax	77,203,046	2001-02	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	69,238,607	2001-02	Supreme Court of India
Income Tax Act, 1961	Income Tax	3,010,000	2000-01	Delhi High Court
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	1,398,389	2006-11	Customs, Excise, Service Tax Appellant Tribunal, New Delhi
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	506,193	2009-10	Customs, Excise, Service Tax Appellant Tribunal, New Delhi
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	26,353,282	2006-07	Commissioner Appeals, Central Excise, Noida
Finance Act 1994, read with Service Tax Rules, 1994	Service Tax	9,999,021	2006-07	Customs, Excise, Service Tax Appellant Tribunal, New Delhi
Central Excise Act 1944	Excise Duty	15,388,874	2011-12	Commissioner Appeals, Central Excise, Chennai
Customs Act, 1962	Custom Duty	5,972,497	2005-06	Customs, Excise, Service Tax Appellant Tribunal, Bangalore
Customs Act, 1962	Custom Duty	2,717,465	2006-07	Common Adjudicating Authority (Directorate of Revenue Intelligence)

\* In these cases tax demand may arise only if the matter currently subjudice before Honorable Delhi High Court is decided against the Company.

# Pursuant to scheme for demerger of IT enabled business of HCL Comnet Systems & Services Limited in FY 2012 - 13.

(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were

applied for the purposes for which those were raised. The Company has not raised any money by way of initial public offer / further public offer or any debt instrument during the financial year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud r by the officers and employees of the Company has been noticed or reported during the financial year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

**per Tridibes Basu**

**Partner**

Membership Number: 17401

Place of Signature: Gurgaon, India

Date: April 28, 2016

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HCL TECHNOLOGIES LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of HCL Technologies Limited

We have audited the internal financial controls over financial reporting of HCL Technologies Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the financial year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting 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.

#### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Standalone Financial Statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 28, 2016 expressed unqualified opinion.

#### **For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

**per Tridibes Basu**

**Partner**

Membership Number: 17401

Place of Signature : Gurgaon, India

Date: April 28, 2016

**Balance Sheet as at 31 March 2016**

(All amounts in crores of ₹)

	Note No.	As at 31 March 2016	As at 30 June 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2.1	282.08	281.20
(b) Reserves and surplus	2.2	21,226.78	19,124.53
		<b>21,508.86</b>	<b>19,405.73</b>
<b>(2) Share application money pending allotment</b>	2.3	0.05	0.02
<b>(3) Non - current liabilities</b>			
(a) Long-term borrowings	2.4	28.16	27.22
(b) Other long-term liabilities	2.5	148.68	282.94
(c) Long term provisions	2.6	277.01	198.77
		<b>453.85</b>	<b>508.93</b>
<b>(4) Current liabilities</b>			
(a) Short term borrowings	2.7	0.03	-
(b) Trade payables	2.8	453.92	468.58
(c) Other current liabilities	2.8	3,284.36	3,643.67
(d) Short term provisions	2.9	899.31	888.13
		<b>4,637.62</b>	<b>5,000.38</b>
<b>TOTAL</b>		<b>26,600.38</b>	<b>24,915.06</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	2.10	3,020.41	3,024.98
(ii) Intangible assets	2.10	53.34	39.25
(iii) Capital work in progress		582.12	543.95
		<b>3,655.87</b>	<b>3,608.18</b>
(b) Non-current investments	2.11	3,502.58	3,500.23
(c) Deferred tax assets (net)	2.12	230.81	217.88
(d) Long term loans and advances	2.13	1,290.04	1,106.39
(e) Other non-current assets	2.14	297.51	308.10
		<b>8,976.81</b>	<b>8,740.78</b>
<b>(2) Current Assets</b>			
(a) Current investments	2.11	470.86	624.73
(b) Inventories	2.15	128.56	83.65
(c) Trade receivables	2.16	4,084.53	3,578.28
(d) Cash and bank balances	2.17	8,662.96	8,829.41
(e) Short - term loans and advances	2.18	2,572.89	1,657.70
(f) Other current assets	2.19	1,703.77	1,400.51
		<b>17,623.57</b>	<b>16,174.28</b>
<b>TOTAL</b>		<b>26,600.38</b>	<b>24,915.06</b>
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements

**As per our report of even date**
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration Number : 301003E  
 Chartered Accountants

**per Tridibes Basu**  
 Partner  
 Membership Number: 17401

 Gurgaon, India  
 28 April, 2016

**For and on behalf of the Board of Directors**  
 of HCL Technologies Limited

**Shiv Nadar**  
 Chairman and Chief Strategy Officer

**Anant Gupta**  
 President and Chief Executive Officer

**Manish Anand**  
 Company Secretary

 Noida (UP), India  
 28 April, 2016

**Amal Ganguli**  
 Director

**Anil Chanana**  
 Chief Financial Officer

**Statement of Profit and Loss for the year ended 31 March 2016**

(All amounts in crores of ₹)

	Note No.	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
<b>Income</b>			
Revenue from operations	2.20	13,433.35	17,153.44
Other income	2.21	968.76	1,199.50
<b>Total revenue</b>		<b>14,402.11</b>	<b>18,352.94</b>
<b>Expenses</b>			
Purchase of traded goods		162.66	363.76
Change in inventories of traded goods	2.22	(46.79)	(66.23)
Employee benefits expense	2.23	4,854.22	5,924.62
Finance costs	2.24	45.82	60.64
Depreciation and amortization expense	2.10	279.15	299.92
Other expenses	2.25	3,339.44	4,071.69
<b>Total expenses</b>		<b>8,634.50</b>	<b>10,654.40</b>
<b>Profit before tax</b>		<b>5,767.61</b>	<b>7,698.54</b>
Tax expense			
Current tax		1,240.33	1,610.45
MAT credit entitlement		(181.86)	(310.43)
Deferred tax charge/(credit)		(24.54)	52.57
Total tax expense		<b>1,033.93</b>	<b>1,352.59</b>
<b>Profit for the year</b>		<b>4,733.68</b>	<b>6,345.95</b>
<b>Earnings per equity share of par value ₹ 2 each</b>	2.27		
Basic (in ₹)		33.62	45.17
Diluted (in ₹)		33.54	44.91
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements

**As per our report of even date**
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration Number : 301003E  
 Chartered Accountants

**per Tridibes Basu**  
 Partner  
 Membership Number: 17401

 Gurgaon, India  
 28 April, 2016

**For and on behalf of the Board of Directors**  
**of HCL Technologies Limited**
**Shiv Nadar**  
 Chairman and Chief Strategy Officer

**Anant Gupta**  
 President and Chief Executive Officer

**Manish Anand**  
 Company Secretary

 Noida (UP), India  
 28 April, 2016

**Amal Ganguli**  
 Director

**Anil Chanana**  
 Chief Financial Officer

**Cash flow statement**

(All amounts in crores of ₹)

	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
<b>A. Cash flows from operating activities</b>		
Profit before tax	5,767.61	7,698.54
<b>Adjustment for:</b>		
Depreciation and amortization	279.15	299.92
Interest income	(643.02)	(795.95)
Dividend income	(61.64)	(78.24)
Profit on sale of investments (net)	(19.66)	(33.76)
Interest expenses	3.75	16.11
Profit on sale of fixed assets (net)	(140.47)	(97.06)
Employee stock compensation expense/(written back)	4.87	(15.39)
Other non cash (benefits)/charges	47.15	(24.08)
<b>Operating profit before working capital changes</b>	<b>5,237.74</b>	<b>6,970.09</b>
<b>Movement in Working Capital</b>		
(Increase)/decrease in trade receivables	(535.18)	(342.84)
(Increase)/decrease in inventories	(24.21)	(68.34)
(Increase)/decrease in loans and advances	(98.26)	(77.35)
(Increase)/decrease in other assets	(248.08)	(197.31)
Increase/ (decrease) in liabilities and provisions	(111.98)	501.57
<b>Cash generated from operations</b>	<b>4,220.03</b>	<b>6,785.82</b>
Direct taxes paid (net of refunds)	(1,063.47)	(1,450.15)
<b>Net cash flow from operating activities (A)</b>	<b>3,156.56</b>	<b>5,335.67</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from bank deposits on maturity	4,408.85	7,670.35
Investments in bank deposits	(4,549.96)	(8,396.68)
Purchase of investments in securities	(6,423.25)	(7,774.96)
Proceeds from sale of investments in securities	6,596.78	7,740.27
Deposits placed with body corporate	(1,985.40)	(1,193.00)
Proceeds from maturity of deposits placed with body corporate	1,193.00	564.00
Proceeds from redemption of preference shares	-	59.49
Payments for business acquisitions, net of cash acquired	(28.57)	-
Purchase of fixed assets, including capital work in progress and capital advances	(647.66)	(1,059.29)
Proceeds from sale of fixed assets	181.79	7.69
Dividend received	61.64	78.24

**Cash flow statement**

(All amounts in crores of ₹)

	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
Interest received	638.06	810.32
Taxes paid	(218.06)	(269.47)
<b>Net cash flow used in investing activities (B)</b>	<b>(772.78)</b>	<b>(1,763.04)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital	0.91	10.45
Repayment of debentures	-	(500.00)
Proceeds from long term borrowings	15.31	17.54
Repayment of long term borrowings	(14.30)	(15.92)
Proceeds from short term borrowings	0.03	425.07
Repayment of short term borrowings	-	(454.33)
Dividend paid	(2,251.33)	(2,385.11)
Corporate dividend tax	(445.85)	(439.27)
Interest paid	(3.75)	(18.64)
<b>Net cash flow used in financing activities (C)</b>	<b>(2,698.98)</b>	<b>(3,360.21)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(315.20)	212.42
<b>Effect of exchange differences on cash and cash equivalents held in foreign currency</b>	7.64	(20.42)
Cash and cash equivalents at the beginning of the year	432.73	240.73
<b>Cash and cash equivalents at the end of the year as per note 2.17 (a) (refer note below)</b>	<b>125.17</b>	<b>432.73</b>
<b>Summary of significant accounting policies (Note 1)</b>		

**Note:-**

Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	3.40	2.99
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\* The Company can utilize these balances only towards the settlement of the respective above mentioned liabilities.

**As per our report of even date**

**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration Number : 301003E  
 Chartered Accountants

**per Tridibes Basu**  
**Partner**  
 Membership Number: 17401

Gurgaon, India  
 28 April, 2016

**For and on behalf of the Board of Directors of HCL Technologies Limited**

**Shiv Nadar**  
 Chairman and Chief Strategy Officer

**Anant Gupta**  
 President and Chief Executive Officer

**Manish Anand**  
 Company Secretary

Noida (UP), India  
 28 April, 2016

**Amal Ganguli**  
 Director

**Anil Chanana**  
 Chief Financial Officer

**Notes to financial statements for the year ended 31 March 2016**

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

**Company Overview**

HCL Technologies Limited (hereinafter referred to as 'HCL' or the 'Company') is primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Company leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi conductors), telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

**1 . Significant Accounting Policies****a) Basis of preparation**

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

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

Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31<sup>st</sup> March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for nine months period from 1 July 2015 to 31 March 2016 (herein after referred as "Year ended 31 March, 2016"). Accordingly, the figures for the current financial year are not comparable to those of the previous year.

**b) Use of estimates**

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

**c) Tangible fixed assets and capital work-in-progress**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the fixed asset, if they have a useful life that is materially different from that of the asset as a whole.

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

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

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

**d) Depreciation on tangible fixed assets**

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

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



**Notes to financial statements for the year ended 31 March 2016**

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

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

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. 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.

**e) Intangible assets**

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

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

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

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

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

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

**f) Research and development costs**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) Its intention to complete the asset;
- (iii) The availability of adequate resources to complete the development and to use or sell the asset; and
- (iv) The ability to measure reliably the expenditure attributable to the intangible asset during development.
- (v) Its ability to use or sell the asset;
- (vi) How the asset will generate future economic benefits;

Any expenditure so capitalized is amortized over the period of expected future use or sales from the related asset.

**Notes to financial statements for the year ended 31 March 2016**

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

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**g) Leases*****Where the Company is the lessee***

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

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

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

***Where the Company is the lessor***

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

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

**h) Borrowing cost**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

**i) Impairment of tangible and intangible assets**

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

**Notes to financial statements for the year ended 31 March 2016**

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

**j) Investments**

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

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

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

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

**k) Inventories**

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

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

**l) Revenue recognition**

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

The Company derives revenues primarily from:-

- Software services;
- IT Infrastructure services; and
- Business process outsourcing services.

**i) Software services**

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

**ii) IT Infrastructure services**

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation

**Notes to financial statements for the year ended 31 March 2016**

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

services that are critical to the products is recognized when installation of networking equipment at customer site is completed and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

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

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) **Business process outsourcing services**

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Company periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Company gives volume discounts and pricing incentives to customers. The discount terms in the Company's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Company recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Revenue from finance leases is recognized when risk of loss is transferred to the customer and there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Interest attributable to finance leases is recognized on the accrual basis using the effective interest method.

(iv) **Others**

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

**m) Foreign currency translation**

**(i) Initial Recognition**

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

**(ii) Conversion**

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

**Notes to financial statements for the year ended 31 March 2016**

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

**(iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

**(iv) Hedging****(a) Cash flow hedging**

The Company uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Company's policies, which provide written principles on the use of such financial derivatives, consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

**(b) Hedging of monetary assets and liabilities**

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

**(v) Translation of integral and non-integral foreign operation**

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; and income and expense items of the non-integral foreign operation are translated at weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

**n) Retirement and other employee benefits**

- i. Contributions to provident fund, a defined benefit plan, are deposited with a Recognized Provident Fund Trust, set up by the Company. The Company's liability is actuarially determined at the end of the year. Actuarial losses/ gains are recognized in the statement of profit and loss in the year in which they arise. The minimum interest rate payable by the Trust to the

**Notes to financial statements for the year ended 31 March 2016**

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

beneficiaries every year is notified by the Government and the Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- iii. **Gratuity liability:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to maximum of ₹ 10 Lacs per employee). The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.
- iv. **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the Projected Unit Credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- vi. **State Plans :** The Company's contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund and Employees Pension Scheme are charged to the statement of profit and loss.

**o) Taxation**

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. In situations where the Company is entitled to a tax holiday under the Income-Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

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

**Notes to financial statements for the year ended 31 March 2016**

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

The Company is subject to Minimum Alternative Tax (MAT) on its book profit, which gives rise to future economic benefit in the form of adjustment of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT Credit becomes eligible to be recognized as an asset in accordance with the guiding professional pronouncements, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement at each balance sheet date and writes down the carrying amount of the MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**p) Employee stock compensation cost**

In accordance with the SEBI (Share Based Employee Benefits Regulations, 2014) and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the Company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

**q) Earnings per share**

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

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

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for bonus shares.

**r) Provisions**

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

**s) Contingent liabilities**

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

**t) Cash and cash equivalents**

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

**Notes to financial statements for the year ended 31 March 2016**

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

**2. Notes to Financial Statements**
**2.1 Share Capital**

	As at	
	31 March 2016	30 June 2015
<b>Authorized</b>		
1,500,000,000 (Previous year 1,500,000,000) equity shares of ₹ 2 each	300.00	300.00
<b>Issued, subscribed and fully paid up</b>		
1,410,381,314 (Previous year 1,405,978,418) equity shares ₹ 2 each	282.08	281.20

**Terms/ rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

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

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

	As at			
	31 March 2016		30 June 2015	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	1,405,978,418	281.20	699,976,381	140.00
Add: Shares issued on exercise of employee stock options	4,402,896	0.88	3,154,076	0.63
Add: Bonus shares issued	-	-	702,847,961	140.57
Number of shares at the end	1,410,381,314	282.08	1,405,978,418	281.20

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 2016		30 June 2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of ₹ 2 each fully paid</b>				
Vama Sundari Investments (Delhi) Private Limited	600,097,024	42.55%	600,097,024	42.68%
HCL Holdings Private Limited	239,097,816	16.95%	239,097,816	17.01%

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 2016	30 June 2015
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	10,125 Equity shares	10,125 Equity shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	702,847,961 Equity Shares	702,847,961 Equity Shares
Aggregate number and class of shares bought back	Nil	Nil



**Notes to financial statements for the year ended 31 March 2016**

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

During the previous year ended 30 June 2015 pursuant to approval of the shareholders through postal ballot on 10 March 2015, a sum of ₹ 140.57 crores was capitalized from securities premium account for issuance of 702,847,961 bonus shares of ₹ 2/- each fully paid-up and these bonus shares were allotted by the Company on 21 March 2015. The said bonus shares were issued in the proportion of 1 equity share for every 1 equity share of ₹ 2/- each held by the equity shareholders of the Company on the record date of 20 March 2015.

**Employee Stock Option Plan (ESOP)**

The Company has provided various share-based payment schemes to its employees. During the year ended 31 March 2016, the following schemes were 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

During the year ended 30 June 2015, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Maximum number of options under the plan	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service Period/ Group performance

Each option granted under the above plans entitles the holder to eight equity shares (four equity shares prior to 1:1 bonus issue) of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended			
	31 March 2016		30 June 2015	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	125,823	722.45
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(101,849)	641.68
Expired during the year	-	-	(23,974)	645.51
Options outstanding at the end of the year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average option price at the date of exercise for stock options exercised for the previous year was ₹ 6,419.36.

**Notes to financial statements for the year ended 31 March 2016**

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

ESOP 2000	Year ended			
	31 March 2016		30 June 2015	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	210,241	642.84
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(167,144)	636.82
Expired during the year	-	-	(43,097)	665.07
Options outstanding at the end of the year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average option price at the date of exercise for stock options exercised for the previous year was ₹ 6,430.37

ESOP 2004	Year ended			
	31 March 2016		30 June 2015	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,027,279	16.00	1,728,849	11.69
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	(15,570)	16.00	(204,366)	13.11
Exercised during the year	(550,362)	16.00	(484,214)	18.71
Expired during the year	(1,200)	16.00	(12,990)	122.48
Options outstanding at the end of the year *	<b>460,147</b>	<b>16.00</b>	<b>1,027,279</b>	<b>16.00</b>
Options exercisable at the end of the year	<b>300,337</b>		<b>200,397</b>	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹6,865.47 (Previous year ₹ 6,694.63)

\* Total number of outstanding options includes 421,590 performance based options as on 31 March 2016 (837,785 as on 30 June 2015). These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 31 March 2016 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan -2004	₹ 16	460,147	3.14	16.00

The details of exercise price for stock options outstanding at the end of the year 30 June 2015 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
Employee Stock Option Plan -2004	₹16	1,027,279	3.93	16.00

There are no options granted during the current year and previous year.

**Notes to financial statements for the year ended 31 March 2016**

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

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The amount is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share would be as under.

	Year ended	
	31 March 2016	30 June 2015
<b>Net income - As reported</b>	4,733.68	6,345.95
Add: Employee stock compensation under intrinsic value method	4.87	(15.39)
Less: Employee stock compensation under fair value method	4.57	(7.71)
<b>Net income - Proforma</b>	<b>4,733.98</b>	<b>6,338.27</b>
<b>Earnings per share (₹) refer note 2.27</b>		
Basic - As reported	33.62	45.17
- Proforma	33.63	45.12
Diluted - As reported	33.54	44.91
- Proforma	33.54	44.86

**2.2 Reserves and Surplus**

	As at	
	31 March 2016	30 June 2015
<b>Securities premium account</b>		
Balance as per last financial statements	1,881.21	1,933.97
Add: exercise of stock option by employees	81.80	87.81
Less: amount utilized for issuance of fully paid up bonus shares (refer note 2.1)	-	(140.57)
	<b>1,963.01</b>	<b>1,881.21</b>
<b>Debenture redemption reserve</b>		
Balance as per last financial statements	-	500.00
Add: amount transferred from surplus in the statement of profit and loss	-	-
Less: amount transferred to statement of profit and loss on redemption of debentures	-	(500.00)
	-	-
<b>Share options outstanding</b>		
Balance as per last financial statements	121.18	206.92
Add: options granted during the year	-	-
Less: transferred to securities premium on exercise of stock options	(76.92)	(85.74)
	<b>44.26</b>	<b>121.18</b>
<b>Hedging reserve account (net of deferred tax) (refer note 2.33)</b>		
Balance as per last financial statements	(40.68)	(210.28)
Add: movement during the year (net)	48.77	169.60
	<b>8.09</b>	<b>(40.68)</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.2 Reserves and Surplus (Contd...)**

	As at	
	31 March 2016	30 June 2015
<b>Foreign currency translation reserve</b>		
Balance as per last financial statements	(35.09)	(1.82)
Add: exchange difference during the year on net investment in non-integral operations	12.51	(33.27)
	<b>(22.58)</b>	<b>(35.09)</b>
<b>General reserve</b>		
Balance as per last financial statements	2,639.20	1,989.20
Add: amount transferred from surplus in the statement of profit and loss	-	650.00
	<b>2,639.20</b>	<b>2,639.20</b>
<b>Capital reserve</b>		
Balance as per last financial statements	119.54	119.54
Add: movement during the year	-	-
	<b>119.54</b>	<b>119.54</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	14,439.17	11,068.08
Add: profit for the year	4,733.68	6,345.95
Add: amount transferred from debenture redemption reserve on redemption of debentures	-	500.00
Amount available for appropriation	<b>19,172.85</b>	<b>17,914.03</b>
<b>Less: appropriations</b>		
Interim dividend [amount per share ₹ 16 (Previous year ₹ 30)]	2,251.74	2,385.59
<b>Total dividend</b>	<b>2,251.74</b>	<b>2,385.59</b>
Corporate dividend tax	445.85	439.27
Transfer to general reserve	-	650.00
<b>Net surplus in the statement of profit and loss</b>	<b>16,475.26</b>	<b>14,439.17</b>
	<b>21,226.78</b>	<b>19,124.53</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.3 Share application money pending allotment**

	31 March 2016	30 June 2015
- number of shares proposed to be issued	226,560	84,680
- the amount of premium	-	-
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

**Note:-** The Company expects to make the allotment during the quarter ended 30 June 2016.

**2.4 Long term borrowings**

	Non-current portion		Current maturities	
	As at		As at	
	31 March 2016	30 June 2015	31 March 2016	30 June 2015
<b>Secured</b>				
<b>From banks</b>				
Long term loans (refer note 1 below)	28.16	27.22	13.47	13.41
	<b>28.16</b>	<b>27.22</b>	<b>13.47</b>	<b>13.41</b>
<b>Amount disclosed under the head "other current liabilities" (note 2.8)</b>	-	-	(13.47)	(13.41)
	<b>28.16</b>	<b>27.22</b>	-	-

**Note:-**

The Company has availed of term loans of ₹41.63 crores (Previous year ₹40.63 crores) secured by hypothecation of gross block of vehicles of ₹94.90 crores (Previous year ₹89.20 crores) at interest rates ranging from 9.75% to 10.50%. The loans are repayable over a period of 5 years from the date of borrowing on a monthly rest.

**2.5 Other long term liabilities**

	As at	
	31 March 2016	30 June 2015
Income received in advance	58.04	135.55
Income received in advance- related parties (refer note 2.29)	57.64	93.38
Liability for expenses	15.09	16.27
Unrealized loss on forward covers	17.91	37.74
	<b>148.68</b>	<b>282.94</b>

**2.6 Long term provisions**

	As at	
	31 March 2016	30 June 2015
<b>Provision for employee benefits</b>		
Provision for gratuity (refre note 2.34)	219.45	197.93
Provision for other benefits	57.56	0.84
	<b>277.01</b>	<b>198.77</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.7 Short term borrowings**

	As at	
	31 March 2016	30 June 2015
<b>Unsecured</b>		
Bank overdraft	0.03	-
	<b>0.03</b>	<b>-</b>

**2.8 Trade payable and other current liabilities**

	As at	
	31 March 2016	30 June 2015
Trade payables dues to micro and small enterprises (refer note 2.32)	0.49	0.64
Trade payables other than due to micro and small enterprises	151.35	180.30
Trade payables-related parties (refer note 2.29)	302.08	287.64
	<b>453.92</b>	<b>468.58</b>
<b>Other current liabilities</b>		
Current maturities of long term loans	13.47	13.41
Unclaimed dividends	3.40	2.99
Advances received from customers	14.37	28.09
Advances received from customers- related parties (refer note 2.29)	2.41	2.41
Capital accounts payables [includes supplier credit ₹ 252.48 crores (previous year ₹ 423.49 crores)]	415.96	670.67
Capital accounts payables-related parties [includes supplier credit ₹ 3.60 crores (previous year ₹ 4.38 crores)] (refer note 2.29)	3.61	6.87
Unrealized loss on forward cover	12.02	15.20
Income received in advance	383.79	298.47
Income received in advance-related parties (refer note 2.29)	238.11	257.06
<b>Accrued salaries and benefits</b>		
Employee bonuses accrued	309.67	391.39
Other employee costs	159.44	181.10
<b>Other liabilities</b>		
Liabilities for expenses	684.74	771.82
Liabilities for expenses-related parties (refer note 2.29)	580.38	493.94
Supplier credit	322.81	396.11
Supplier credit -related parties (refer note 2.29)	13.17	9.54
Withholding and other taxes payable	126.93	104.60
Book overdraft	0.08	-
	<b>3,284.36</b>	<b>3,643.67</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.9 Short term provisions**

	As at	
	31 March 2016	30 June 2015
Provision for employee benefits		
Provision for gratuity (refer note 2.34)	48.25	47.43
Provision for leave benefits	172.72	159.10
Provision for other benefits	2.51	2.24
Income taxes (refer note 1 below)	675.73	677.58
Wealth tax (refer note 2 below)	0.10	1.78
	<b>899.31</b>	<b>888.13</b>

**Notes:-**

- Net of advance income tax of ₹ 6,568.82 crores (Previous year ₹ 5,289.51 crores).
- Net of advance wealth tax of ₹ 9.29 crores (Previous year ₹ 7.95 crores).

**Note 2.10 Fixed Assets (refer note 1(c), (d) , (e))**
**The changes in the carrying value of fixed assets for the year ended 31 March 2016**

	Gross block					Accumulated depreciation / amortization					Net block		
	As at 1 July 2015	Additions	Additions on Acquisition	Deletions/ Adjustments	Translation exchange differences	As at 31 March 2016	As at 1 July 2015	Charge for the year	Deletions/ Adjustments	Translation exchange differences	As at 31 March 2016	As at 31 March 2016	As at 30 June 2015
<b>Tangible Assets</b>													
Freehold land	80.62	-	-	32.28	-	48.34	-	-	-	-	-	48.34	80.62
Leasehold land	272.68	1.72	-	-	-	274.40	14.63	2.26	-	-	16.89	257.51	258.05
Buildings	2,027.70	77.21	-	13.99	-	2,090.92	309.15	77.97	9.46	-	377.66	1,713.26	1,718.55
Plant and machinery	1,052.88	58.61	0.12	31.42	0.12	1,080.31	570.91	52.55	25.42	0.10	598.14	482.17	481.97
Office Equipment	191.46	14.11	-	11.62	0.10	194.05	149.14	12.41	9.36	0.06	152.25	41.80	42.32
Computers	1,038.67	105.73	7.38	22.86	0.45	1,129.37	771.33	73.30	17.93	0.29	826.99	302.38	267.34
Furniture and fittings	496.29	24.82	-	49.11	0.29	472.29	372.40	20.12	41.51	0.23	351.24	121.05	123.89
Vehicles - owned	94.73	20.46	0.43	14.59	-	101.03	44.51	15.14	10.53	-	49.12	51.91	50.22
- leased	2.75	-	-	0.19	-	2.56	0.73	-	0.16	-	0.57	1.99	2.02
<b>Total (A)</b>	<b>5,257.78</b>	<b>302.66</b>	<b>7.93</b>	<b>176.06</b>	<b>0.96</b>	<b>5,393.27</b>	<b>2,232.80</b>	<b>253.75</b>	<b>114.37</b>	<b>0.68</b>	<b>2,372.86</b>	<b>3,020.41</b>	<b>3,024.98</b>
<b>Intangible Assets</b>													
Goodwill	1.98	-	18.16	-	-	20.14	1.98	-	-	-	1.98	18.16	-
Software	426.96	21.38	0.13	0.39	0.29	448.37	387.71	25.40	0.12	0.20	413.19	35.18	39.25
<b>Total (B)</b>	<b>428.94</b>	<b>21.38</b>	<b>18.29</b>	<b>0.39</b>	<b>0.29</b>	<b>468.51</b>	<b>389.69</b>	<b>25.40</b>	<b>0.12</b>	<b>0.20</b>	<b>415.17</b>	<b>53.34</b>	<b>39.25</b>
<b>Total (A)+(B)</b>	<b>5,686.72</b>	<b>324.04</b>	<b>26.22</b>	<b>176.45</b>	<b>1.25</b>	<b>5,861.78</b>	<b>2,622.49</b>	<b>279.15</b>	<b>114.49</b>	<b>0.88</b>	<b>2,788.03</b>	<b>3,073.75</b>	<b>3,064.23</b>

**Notes:-**

- Capital work in progress includes ₹38.78 crores interest on negotiated extended interest bearing suppliers credit and during the period ₹12.00 crores have been capitalised by the Company.
- Deletion includes project assets at w.d.v of ₹20.61 crores given on lease to customers which has been transferred as per contract terms.
- On 31 March 2016, a subsidiary of the Company has acquired the IT divisions of Volvo IT AB ('Volvo IT'), a subsidiary of AB Volvo, the holding company of the Volvo Group providing IT services to the Volvo group as well as non-Volvo group customers. Total purchase price for the acquisition was ₹893.59 crores. Volvo IT has its presence in several countries including India. As a result of above acquisition, the Company has acquired the Indian business of Volvo IT at a purchase price of ₹26.22 crores. The purchase consideration of ₹26.22 crores has been allocated to tangible assets of ₹7.93 crores and intangible assets of ₹0.13 crores with the residual ₹18.16 crores allocated to goodwill. The resultant goodwill has been allocated to the IT Infrastructure Services segment.

**Notes to financial statements for the year ended 31 March 2016**

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

**Note 2.10 Fixed Assets (refer note 1(c), (d) , (e))**
**The changes in the carrying value of fixed assets for the year ended 30 June 2015**

	Gross block					Accumulated depreciation / amortization					Net block		
	As at 1 July 2014	Additions	Additions on Acquisition	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2015	As at 1 July 2014	Charge for the year	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2015	As at 30 June 2015	As at 30 June 2014
<b>Tangible Assets</b>													
Freehold land	80.89	-	-	0.27	-	80.62	-	-	-	-	-	80.62	80.89
Leasehold land	159.29	119.57	-	6.18	-	272.68	13.10	2.68	1.15	-	14.63	258.05	146.19
Buildings	1,689.46	361.54	-	23.30	-	2,027.70	233.74	90.37	14.96	-	309.15	1,718.55	1,455.72
Plant and machinery	878.41	182.41	-	7.67	(0.27)	1,052.88	524.99	53.58	7.55	(0.11)	570.91	481.97	353.42
Office Equipment	175.88	20.68	-	5.03	(0.07)	191.46	141.35	12.83	4.98	(0.06)	149.14	42.32	34.53
Computers	903.37	148.98	-	12.89	(0.79)	1,038.67	714.04	70.64	12.88	(0.47)	771.33	267.34	189.33
Furniture and fittings	470.80	50.64	-	24.63	(0.52)	496.29	377.17	20.15	24.60	(0.32)	372.40	123.89	93.63
Vehicles- owned	82.94	23.75	-	11.96	-	94.73	34.77	17.06	7.32	-	44.51	50.22	48.17
- leased	4.25	-	-	1.50	-	2.75	1.83	0.04	1.14	-	0.73	2.02	2.42
<b>Total (A)</b>	<b>4,445.29</b>	<b>907.57</b>	<b>-</b>	<b>93.43</b>	<b>(1.65)</b>	<b>5,257.78</b>	<b>2,040.99</b>	<b>267.35</b>	<b>74.58</b>	<b>(0.96)</b>	<b>2,232.80</b>	<b>3,024.98</b>	<b>2,404.30</b>
<b>Intangible Assets</b>													
Goodwill	1.98	-	-	-	-	1.98	1.98	-	-	-	1.98	-	-
Software	473.79	28.22	-	74.19	(0.86)	426.96	429.52	32.57	73.97	(0.41)	387.71	39.25	44.27
<b>Total (B)</b>	<b>475.77</b>	<b>28.22</b>	<b>-</b>	<b>74.19</b>	<b>(0.86)</b>	<b>428.94</b>	<b>431.50</b>	<b>32.57</b>	<b>73.97</b>	<b>(0.41)</b>	<b>389.69</b>	<b>39.25</b>	<b>44.27</b>
<b>Total (A)+(B)</b>	<b>4,921.06</b>	<b>935.79</b>	<b>-</b>	<b>167.62</b>	<b>(2.51)</b>	<b>5,686.72</b>	<b>2,472.49</b>	<b>299.92</b>	<b>148.55</b>	<b>(1.37)</b>	<b>2,622.49</b>	<b>3,064.23</b>	<b>2,448.57</b>

**Note:-**

Capital work in progress includes ₹37.52 crores interest on negotiated extended interest bearing suppliers credit and during the period ₹25.51 crores have been capitalised by the Company.

**2.11 Investments**

	As at	
	31 March 2016	30 June 2015
<b>Non-current investment-at cost</b>		
<b>In subsidiary companies, trade (unquoted), fully paid up</b>		
<b>Equity Instruments</b>		
409,670,582 (Previous year 409,670,582) equity shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,829.27	1,829.27
1,280 (Previous year 1,280) equity shares of ₹ 10,000 each, in HCL Comnet Systems & Services Limited	11.22	11.22
949,900 (Previous year 949,900) equity shares of ₹ 10 each, in HCL Comnet Limited	54.94	54.94
HCL Technologies (Shanghai) Limited (Issued & registered capital)	9.95	9.95
1,033,384 (Previous year 1,033,384) equity shares of SGD 1 each, in HCL Singapore Pte. Limited	5.25	5.25
30,000,000 (previous year 30,000,000) equity shares of Pound 1 each fully paid up, in HCL EAS Limited	224.80	224.80
1 (Previous year 1) equity shares of Euro 100 each, in HCL GmbH	0.11	0.11
92,000 (Previous year 92,000) equity shares of ₹ 10 each in HCL Eagle Limited	0.09	0.09



**Notes to financial statements for the year ended 31 March 2016**

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

**2.11 Investments (Contd...)**

	As at	
	31 March 2016	30 June 2015
50,000 (Previous year 50,000) equity shares of ₹ 10 each in HCL Foundation (refer note 1 below)	-	-
1,751,301 (Previous year Nil) equity shares of ₹ 10 each in HCL Training & Staffing Services Private Limited (refer note 2 below)	2.35	-
<b>Preference shares</b>		
261,500,000 (Previous year 261,500,000) Preference shares of USD 1 each in HCL Bermuda Limited, Bermuda	1,364.60	1,364.60
<b>Aggregate amount of non- current investments</b>	<b>3,502.58</b>	<b>3,500.23</b>
<b>Current investments</b>		
Investment in mutual fund (refer note 3 below)	470.86	624.73
<b>Aggregate amount of current investments</b>	<b>470.86</b>	<b>624.73</b>

**Notes:-**

1. Cost of investment is stated as ₹ Nil as the same cannot be distributed to the members in the event of liquidation. Actual cost of investment of ₹ 5,00,000 has been charged in the statement of profit & loss in the previous financial year.
2. During the year, the Company has acquired the entire equity share capital of HCL Training & Staffing Services Private Limited for a total purchase consideration of ₹ 2.35 crores. The acquisition will enable the Company to supplement its capabilities in hiring of trained resources.
3. The details of investments in mutual funds/ bonds are provided below:

**Details of Investments in mutual funds - non trade and unquoted**

	Face Value	Balance as at 31 March 2016		Balance as at 30 June 2015	
		Units	Amount	Units	Amount
<b>Growth Fund</b>					
DSP BlackRock Liquidity Fund-IP	1,000	243,176	52.50	-	-
HDFC Liquid Fund	10	-	-	51,918,756	146.06
HDFC Liquid Fund	1,000	141,051	41.93	-	-
ICICI Prudential Institutional Liquid Plan - Super Institutional	100	4,471,074	100.00	5,921,353	123.93
UTI Liquid Fund-Cash Plan	1,000	-	-	486,126	112.82
TATA Liquid Fund Plan	1,000	669,339	186.50	442,364	115.59
Birla Sunlife - Cash Plus	100	-	-	175,498	4.00
SBI Premier Liquid Fund Super IP	1,000	-	-	546,129	122.33
Kotak Liquid Fund	1,000	294,044	89.93	-	-
<b>Total</b>			<b>470.86</b>		<b>624.73</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.12 Deferred tax assets (net)**

	As at	
	31 March 2016	30 June 2015
<b>Deferred tax assets:</b>		
Accrued employee costs	126.72	108.19
Unrealized loss on derivative financial instruments	-	9.71
Depreciation and amortization	3.64	25.61
Others	110.18	86.47
<b>Gross deferred tax assets (A)</b>	<b>240.54</b>	<b>229.98</b>
<b>Deferred tax liabilities:</b>		
Unrealized gain on derivative financial instruments	1.89	-
Others	7.84	12.10
<b>Gross deferred tax liabilities (B)</b>	<b>9.73</b>	<b>12.10</b>
<b>Net deferred tax assets (A-B)</b>	<b>230.81</b>	<b>217.88</b>

**2.13 Long term loans and advances**

	As at	
	31 March 2016	30 June 2015
<b>Unsecured, considered good</b>		
Capital advances	140.53	113.95
Capital advances-related parties (refer note 2.29)	1.00	-
Security deposits	129.50	136.57
Others		
MAT credit entitlement	951.54	769.68
Prepaid expenses	27.75	29.48
Finance lease receivables (refer note 2.26 (ii))	24.72	41.70
Loans and advances to employees (including related party, refer note 2.29)	15.00	15.01
	<b>1,290.04</b>	<b>1,106.39</b>

**2.14 Other non- current assets**

	As at	
	31 March 2016	30 June 2015
<b>Unsecured considered good unless otherwise stated</b>		
Deferred cost	239.84	219.83
Bank deposits more than 12 months (refer note 1 below)	0.01	0.01
Unrealized gain on derivative financial instruments	13.11	0.61
Others	44.55	87.65
	<b>297.51</b>	<b>308.10</b>

**Note:-**

1. Pledged with banks as security for guarantees ₹ 0.01crores(Previous year ₹ 0.01 crores)

**Notes to financial statements for the year ended 31 March 2016**

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

**2.15 Inventories**

	As at	
	31 March 2016	30 June 2015
<b>Inventories (valued at lower of cost and net realisable value)</b>		
Stock in trade [including in transit ₹ 0.17 crores (Previous year ₹ 23.19 crores)]	128.56	81.77
Stores and spares	-	1.88
	<b>128.56</b>	<b>83.65</b>

**2.16 Trade receivables**

	As at	
	31 March 2016	30 June 2015
<b>(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured considered good	260.15	221.42
Unsecured considered doubtful	137.15	107.72
	<b>397.30</b>	<b>329.14</b>
Provision for doubtful receivables	(137.15)	(107.72)
<b>Total (A)</b>	<b>260.15</b>	<b>221.42</b>
<b>(b) Other receivables</b>		
Unsecured considered good	3,824.38	3,356.86
Unsecured considered doubtful	6.65	4.71
	<b>3,831.03</b>	<b>3,361.58</b>
Provision for doubtful receivables	(6.65)	(4.71)
<b>Total (B)</b>	<b>3,824.38</b>	<b>3,356.86</b>
<b>Total (A)+(B) (refer note 1 below)</b>	<b>4,084.53</b>	<b>3,578.28</b>

**Note:**

1. Includes receivables from related parties amounting to ₹ 2,390.58 crores (Previous year ₹ 2,051.68 crores) (refer note 2.29)

**Notes to financial statements for the year ended 31 March 2016**

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

**2.17 Cash and bank balances**

	As at	
	31 March 2016	30 June 2015
<b>(a) Cash and cash equivalent</b>		
Balance with banks		
- in current accounts	81.77	269.61
Cheques in hand	4.89	50.03
Remittances in transit	35.11	110.10
Unclaimed dividend account	3.40	2.99
	<b>125.17</b>	<b>432.73</b>
<b>(b) Other bank balances</b>		
Deposits with original maturity of more than 3 months but up to 12 months	8,537.79	8,396.68
	<b>8,662.96</b>	<b>8,829.41</b>

**2.18 Short-term loans and advances**

	As at	
	31 March 2016	30 June 2015
Unsecured, considered good		
Loans and advances to related parties (refer note 2.29)	81.25	56.46
Others		
Security deposits	69.71	34.85
Inter corporate deposits with HDFC Limited	1,985.40	1,193.00
Advances to suppliers	20.40	13.18
Prepaid expenses	154.72	124.61
Prepaid expenses - related parties (refer note 2.29)	1.39	1.86
Loans and advances to employees	61.69	41.36
Finance lease receivables (refer note 2.26 (ii))	32.90	21.45
Service tax receivable	62.62	66.06
Other loans and advances	102.81	104.87
	<b>2,572.89</b>	<b>1,657.70</b>
Unsecured, considered doubtful		
Loans and advances to employees	32.69	42.62
Loans and advances to others	2.86	2.84
	<b>35.55</b>	<b>45.46</b>
Less: Provision for doubtful advances	(35.55)	(45.46)
	-	-
	<b>2,572.89</b>	<b>1,657.70</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.19 Other current assets**

	As at	
	31 March 2016	30 June 2015
Unbilled revenue	452.11	545.29
Unbilled revenue-related parties (refer note 2.29)	936.46	586.91
Deferred cost	161.42	149.98
Deferred cost-related parties (refer note 2.29)	2.01	2.01
Interest receivable	104.42	99.46
Unrealized gain on derivative financial instruments	47.35	16.86
	<b>1,703.77</b>	<b>1,400.51</b>

**2.20 Revenue from operations**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Sale of services	13,307.37	16,838.68
Sale of hardware and software (refer note 2.36)	125.98	314.76
	<b>13,433.35</b>	<b>17,153.44</b>

**2.21 Other income**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Interest income		
- On fixed deposits	641.74	790.14
- On investment	-	2.05
- Others	1.28	3.76
Profit on sale of current investments	19.66	33.76
Dividends from subsidiary companies	61.64	78.24
Profit on sale of fixed assets (refer note 1 below)	140.47	97.06
Exchange differences (net)	96.52	124.76
Employee stock compensation expense written back (net)	-	15.39
Provisions no longer required written back (net)	-	33.38
Miscellaneous income	7.45	20.96
	<b>968.76</b>	<b>1,199.50</b>

**Note:-**

1. Net of loss on sale of fixed assets ₹ 0.41 crores (Previous year ₹ 0.40 crores)

**2.22 Changes in inventories of traded goods**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Opening stock	81.77	15.54
Closing stock	(128.56)	(81.77)
	<b>(46.79)</b>	<b>(66.23)</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.23 Employee benefits expense**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Salaries, wages and bonus	4,644.44	5,668.76
Contribution to provident fund and other employee funds	169.72	212.59
Staff welfare expenses	35.19	43.27
Employee stock compensation expense	4.87	-
	<b>4,854.22</b>	<b>5,924.62</b>

**2.24 Finance cost**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Interest		
- on debentures	-	8.56
- on loans from banks	3.75	7.55
- on leased assets	-	0.01
- others	37.62	37.03
Bank charges	4.45	7.49
	<b>45.82</b>	<b>60.64</b>

**2.25 Other expenses**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Rent	112.84	211.99
Power and fuel	167.23	218.96
Insurance	8.54	11.07
Repairs and maintenance		
- Plant and machinery	36.42	45.64
- Buildings	38.73	41.60
- Others	126.36	132.50
Communication costs	94.96	113.37
Books and periodicals	5.50	7.10
Travel and conveyance	621.09	796.92
Business promotion	1.47	36.34
Legal and professional charges (refer note 2.40)	64.83	62.16
Outsourcing costs	1,643.14	1,966.16
Software license fee	156.13	172.36
Printing and stationery	6.65	9.56
Rates and taxes	69.95	59.45
Provision for doubtful advances / advances written off (net)	6.01	9.30
CSR expenditure (refer note 2.35)	13.04	6.22
Recruitment, training and development	64.42	96.89
Provision for doubtful debts/ bad debts written off (net)	41.14	-
Miscellaneous expenses	60.99	74.10
	<b>3,339.44</b>	<b>4,071.69</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**2.26 Leases**
**i) Operating lease**

The Company leases office space and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the statement of profit and loss for the year (nine months) is ₹ 112.84 crores [Previous year (twelve months) ₹ 211.99 crores]. The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Company is ₹ 85.49 crores (previous year ₹ 115.20 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended	
	31 March 2016	30 June 2015
Not later than one year	155.52	184.75
Later than one year and not later than 5 years	413.06	592.35
Later than five years	381.01	578.94
	<b>949.59</b>	<b>1,356.04</b>

**ii) Finance Lease: In case of assets given on lease**

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 as on 31 March 2016	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
Not later than one year	35.99	3.09	32.90
	(28.71)	(7.23)	(21.48)
Later than one year and not later than 5 years	27.02	2.30	24.72
	(42.92)	(1.25)	(41.67)
	<b>63.01</b>	<b>5.39</b>	<b>57.62</b>
	<b>(71.63)</b>	<b>(8.48)</b>	<b>(63.15)</b>

(Previous year figures are in brackets.)

**2.27 Earnings Per Share**

The computation of earnings per share is as follows:

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Net profit as per Statement of profit and loss for computation of EPS	4,733.68	6,345.95
Weighted average number of equity shares outstanding in computation of Basic EPS	1,407,845,713	1,404,808,456
Dilutive effect of stock options outstanding	3,672,800	8,142,875
Weighted average number of equity shares outstanding in computing dilutive EPS	1,411,518,513	1,412,951,331
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	33.62	45.17
- Diluted	33.54	44.91

**Notes to financial statements for the year ended 31 March 2016**

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

**2.28 Segment Reporting****Identification of segments**

The Company's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services and is subject to risks and returns that are different from other strategic business units.

**(i) Business segments**

The Company's operations predominantly relate to providing a range of IT and Business process outsourcing (BPO) services targeted at Global 2000 companies spread across USA, Europe and the Rest of the World. IT Services include software services and IT infrastructure management services. Within software services, the Company provides application development and maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and research and development (R&D) services to several global customers. Infrastructure management services involve managing customers' IT assets effectively. Business process outsourcing services include the traditional contact centre and help desk services and next generation services around platform BPO and BPAAS (Business Process As A Service) delivered through a global delivery model.

The Chairman of the Company, who is the Chief Strategy Officer, evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Company and geographic segmentation of customers. Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements.

Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers and assets.

**(ii) Geographic segments**

Segment revenue from customers by geographical areas is stated based on the geographical location of the customer and segment assets by the geographical location of the assets.

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Company in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Company within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

**(iii) Segment accounting policies**

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

**a) Segment revenue and expenses**

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include, premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments, and finance cost.

**b) Segment assets and liabilities**

Assets and liabilities are not identified to any reportable segments, since these are increasingly used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to total assets and liabilities.



**Notes to financial statements for the year ended 31 March 2016**

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

Financial information about the business segments for the year ended (nine months) 31 March 2016 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
<b>Segment Revenues</b>	<b>8,033.52</b>	<b>895.85</b>	<b>4,503.98</b>	<b>13,433.35</b>
<b>Segment results</b>	<b>2,945.03</b>	<b>169.39</b>	<b>1,799.80</b>	<b>4,914.22</b>
Unallocated corporate expenses				(69.55)
Finance cost				(45.82)
Other income				325.74
Interest income				643.02
<b>Net profit before taxes</b>				<b>5,767.61</b>
Tax expense				1,033.93
<b>Profit for the year</b>				<b>4,733.68</b>
<b>Significant non-cash adjustments</b>				
Depreciation	181.31	22.73	72.86	276.90
Unallocated corporate depreciation				2.25
<b>Total</b>				<b>279.15</b>
Provision for doubtful debts & advances / Bad debts & advances written off				47.15

Financial information about the business segments for the year ended (twelve months) 30 June 2015 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
<b>Segment Revenues</b>	<b>10,456.80</b>	<b>1,003.55</b>	<b>5,693.09</b>	<b>17,153.44</b>
<b>Segment results</b>	<b>4,122.55</b>	<b>144.68</b>	<b>2,311.73</b>	<b>6,578.96</b>
Unallocated corporate expenses				(19.28)
Finance cost				(60.64)
Other income				403.55
Interest income				795.95
<b>Net profit before taxes</b>				<b>7,698.54</b>
Tax expense				(1,352.59)
<b>Profit for the year</b>				<b>6,345.95</b>
<b>Significant non-cash adjustments</b>				
Depreciation	192.38	25.80	78.72	296.90
Unallocated corporate depreciation				3.02
<b>Total</b>				<b>299.92</b>
Provision for doubtful debts & advances / Bad debts & advances written off				(24.08)

**Notes to financial statements for the year ended 31 March 2016**

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

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
America	7,713.21	9,437.26
Europe	3,760.07	5,007.72
India	589.25	939.85
Others	1,370.82	1,768.61
<b>Total</b>	<b>13,433.35</b>	<b>17,153.44</b>

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	31 March 2016	30 June 2015
America	2,464.78	1,983.49
Europe	1,669.32	1,704.86
India	21,523.72	20,579.45
Others	942.56	647.26
<b>Total</b>	<b>26,600.38</b>	<b>24,915.06</b>

Total cost incurred during the period to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows:

	Addition to segment fixed assets	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
America	-	-
Europe	3.10	2.62
India	642.95	1,056.67
Others	1.61	-
<b>Total</b>	<b>647.66</b>	<b>1,059.29</b>

**2.29 Related Parties**
**(a) Related parties where control exists**

<b>Direct subsidiaries</b>	
HCL Comnet Limited	
HCL Comnet Systems & Services Limited	
HCL Singapore Pte. Limited	
HCL Bermuda Limited	
HCL Technologies (Shanghai) Limited	
HCL Eagle Limited	
HCL Foundation	
HCL Training & Staffing Services Private Limited^	
<b>Step down subsidiaries</b>	
HCL Japan Limited	HCL Investment (UK) Limited
HCL Australia Services Pty. Limited	HCL America Solutions Inc.

## Notes to financial statements for the year ended 31 March 2016

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

Step down subsidiaries (Contd...)

HCL (New Zealand) Limited	HCL Technologies Austria GmbH
HCL Hong Kong SAR Limited	Axon Solutions (Shanghai) Co. Limited
Axon Solutions Pty. Limited	HCL GmbH
HCL Axon (Pty) Limited	HCL Axon Technologies Inc.
HCL Technologies Philippines Inc.	Axon Solutions Inc.
HCL Technologies South Africa (Proprietary) Limited	HCL Argentina s.a.
HCL Technologies Solutions Limited	PT. HCL Technologies Indonesia Limited
HCL Belgium NV	HCL Poland sp. z o.o
HCL Italy SLR	HCL (Malaysia) Sdn. Bhd.
HCL Technologies Romania s.r.l.	Axon Solutions Singapore Pte. Limited
HCL Hungary Kft	HCL Axon Malaysia Sdn. Bhd.
HCL Sweden AB	HCL Mexico S. de R.L.
Filial Espanola De HCL Technologies S.L.	HCL Technologies Chile Spa
HCL Great Britain Limited	HCL Technologies UK Limited
HCL (Netherlands) BV	HCL Technologies B.V
HCL Technologies Solutions GmbH	HCL Technologies Germany GmbH
HCL EAS Limited	HCL Technologies Belgium N.V.
Axon Group Limited	HCL Technologies Sweden AB
Axon Solutions Limited	HCL Technologies Finland Oy
HCL BPO Services (NI) Limited	HCL (Ireland) Information Systems Limited
HCL Insurance BPO Services Limited	HCL Technologies Italy SPA
HCL Technologies Norway AS	HCL Technologies Colombia SAS
HCL Technologies Denmark Apps	HCL Technologies Middle East FZ- LLC
HCL Expense Management Services Inc.	HCL Istanbul Bilisim Teknolojileri Limited Sirketi
HCL America Inc.	HCL Technologies Greece Single Member P.C.
HCL Latin America Holding LLC	HCL Technologies S.A.
HCL (Brazil) Tecnologia da informacao Ltda.	HCL Technologies Beijing Co., Ltd
HCL Global Processing Services Limited	HCL Technologies Luxembourg S.a.r.l
HCL Arabia LLC	HCL-Ten Ventures LLC !
Anzospans Investments (pty) Limited	HCL Technologies Egypt Ltd
HCL Technologies France	HCL Technologies Estonia OU
HCL Technologies (Thailand) Limited	HCL Technologies Czech Republic s.r.o*
HCL Joint Venture Holding Inc.**	HCL Muscat Technologies Inc.***
CeleritiFintech Limited#	CeleritiFintech USA, Inc.##
CeleritiFintech Australia Pty Limited###	CeleritiFintech Germany GmbH####
CeleritiFintech Italy S.R.L.%	Concept2Silicon Systems Private Limited%%
Powerteam, LLC %%%	Point to Point Limited^^
Point to Point Products Limited^^	

### Notes:-

! Dissolved on 15 July 2015

\*\* incorporated on 21 July 2015

# incorporated on 08 July 2015

### incorporated on 01 September 2015

% incorporated on 18 November 2015

%%% acquired on 28 October 2015

^^ acquired on 22 January 2016

\* incorporated on 28 August 2015

\*\*\* incorporated on 17 December 2015

## incorporated on 28 August 2015

#### incorporated on 26 October 2015

%% acquired on 16 October 2015

^ acquired on 29 February 2016

^^ acquired on 22 January 2016

**Notes to financial statements for the year ended 31 March 2016**

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

<b>Employee benefit trusts</b>
HCL Technologies Limited Employees Trust
HCL Technologies Stock Options Trust
Axon Group Plc Employee Benefit Trust No. 3
Axon Group Plc Employee Benefit Trust No. 4
HCL South Africa Share Ownership Trust

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

<b>Direct subsidiaries</b>	
HCL Singapore Pte. Limited	
HCL Comnet Limited	
HCL Comnet Systems and Services Limited	
HCL Training & Staffing Services Private Limited	
HCL Eagle Limited	
HCL Technologies (Shanghai) Limited	
<b>Step down subsidiaries</b>	
HCL (Brazil) Tecnologia da informacao Ltda.	HCL Technologies Middle East FZ- LLC
Axon Solutions Limited	HCL Australia Services Pty. Limited
HCL Technologies Chile Spa	HCL (New Zealand) Limited
HCL Technologies Solutions GmbH	HCL Saudi Arabia LLC
Axon Solutions Inc	HCL Hong Kong SAR Limited
HCL Axon Technologies Inc.	HCL Axon Malaysia Sdn Bhd
Axon Solutions (Shanghai) Co. Limited	PT. HCL Technologies Indonesia Limited
Axon Solutions Pty Limited	HCL Technologies Philippines Inc
HCL Argentina s.a.	FILIAL ESPAÑOLA DE HCL TECHNOLOGIES, S.L.
HCL Mexico S. de R.L.	HCL Technologies South Africa (Pty) Limited
HCL Hungry Kft	HCL Technologies France
HCL Technologies Romania s.r.l.	HCL Technologies Austria GmbH
HCL Technologies UK Limited	HCL Poland Sp.z.o.o.
HCL Istanbul Bilisim Teknolojileri Limited Sirketi	HCL Technologies Denmark Apps
HCL Technologies BV	HCL America Inc.
HCL (Ireland) Information Systems Limited	HCL Technologies Solution Limited
HCL Technologies Germany GmbH	HCL Great Britain Limited
HCL Technologies Finland Oy	HCL Sweden AB
HCL Japan Limited	HCL (Netherlands) B.V.
HCL Technologies Sweden AB	HCL GmbH

**Notes to financial statements for the year ended 31 March 2016**

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

Celeritifintech Limited	HCL Italy SLR
HCL Technologies Belgium N.V.	HCL Belgium NV
HCL Technologies Colombia SAS	HCL Axon (Pty) Limited
HCL Insurance BPO Services Limited	HCL Technologies (Thailand) Ltd.
HCL America Solutions Inc.	
<b>Significant influence</b>	
HCL Infosystems Limited	HCL Corporation Private Limited
Digilife Distribution and Marketing Services Limited	HCL Insys Pte Limited
HCL Infotech Limited	HCL Holding Private Limited
HCL Services Limited	Vama Sundari Investments (Delhi) Private Limited
SSN Investments (Pondi) Private Limited	HCL Learning Limited
HCL TalentCare Private Limited	Shiv Nadar Foundation
Naksha Enterprises Private Limited	Statestreet HCL Services (India) Private Limited
HCL Training and Staffing Services Private Limited	State Street HCL Services (Phillipines) INC.
SSN Trust	KRN Education Private Limited

**c) Key Management Personnel**

Mr. Shiv Nadar	Chairman and Chief Strategy Officer
Mr. Anant Gupta	President and Chief Executive Officer
Mr. Anil Chanana	Chief Financial Officer
Mr. Manish Anand	Company Secretary

**d) Directors**

Mr. Robin Ann Abrams	Non-Executive & Independent Director
Mr. Amal Ganguli	Non-Executive & Independent Director
Mr. Ramanathan Srinivasan	Non-Executive & Independent Director
Mr. Sudhinder Krishan Khanna	Non-Executive & Non-Independent Director
Dr. Sosale Shankara Sastry	Non-Executive & Independent Director
Mr. Subramanian Madhavan	Non-Executive & Independent Director
Mr. Keki Mistry	Non-Executive & Independent Director
Ms. Roshni Nadar Malhotra	Non-Executive & Non-Independent Director
Mr. Thomas Sieber*	Non-Executive & Independent Director

\*Appointed w.e.f. 17 October 2015

**Notes to financial statements for the year ended 31 March 2016**  
(All amounts in crores of ₹, except share data and as stated otherwise)

**e) Transactions with related parties during the year**

	Revenues		Other expenses#		Corporate guarantee fees		Others income (Gain on sale of building)		Dividend Paid	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Subsidiaries</b>										
- HCL America Inc.	4,854.17	5,959.14	508.64	692.42	0.56	2.92	-	-	-	-
- HCL Great Britain Limited	548.75	975.63	137.04	249.42	-	0.15	-	-	-	-
- HCL Australia Services Pty. Limited	221.57	441.32	3.70	7.61	-	0.01	-	-	-	-
- HCL Comnet Limited	0.38	-	33.47	43.10	-	-	-	-	-	-
- HCL Sweden AB	281.27	351.26	15.68	28.28	-	-	-	-	-	-
- HCL Technologies UK Limited	299.03	247.33	67.45	3.30	-	-	-	-	-	-
- Axon Solution Limited	36.50	65.56	83.37	125.06	-	-	-	-	-	-
- Others	1,475.94	1,589.24	388.98	339.74	0.17	0.89	-	-	-	-
<b>Total (A)</b>	<b>7,717.61</b>	<b>9,629.48</b>	<b>1,238.33</b>	<b>1,488.93</b>	<b>0.73</b>	<b>3.97</b>	-	-	-	-
<b>Significant influence</b>										
- HCL Infosystems Limited	3.01	9.72	6.09	14.16	-	-	-	-	-	-
- Digilife Distribution and Marketing Services Limited	-	-	-	0.18	-	-	-	-	-	-
- HCL Infotech Limited	-	131.68	-	0.04	-	-	-	-	-	-
- Vama Sundari Investments (Delhi) Pvt. Limited	-	-	-	-	-	-	-	-	960.16	1,020.16
- HCL Services Limited	-	-	7.75	12.84	-	-	-	-	-	-
- HCL Holding Private Limited	-	-	-	-	-	-	-	-	382.56	406.47
- SSN Investments (Pondit) Pvt. Limited	-	-	-	-	-	-	-	94.61	-	-
- Shv Nadar Foundation	0.47	1.17	-	-	-	-	-	-	-	14.56
- HCL Talent Care Private Limited	-	-	0.82	14.59	-	-	-	-	-	-
- Statestreet HCL Services (India) Private Limited	16.12	14.80	-	-	-	-	-	-	-	-
- HCL Training and Staffing Services Private Limited	-	-	7.49	-	-	-	-	-	-	-
- Others	2.72	4.28	2.31	12.64	-	-	-	-	-	-
<b>Total (B)</b>	<b>22.32</b>	<b>161.65</b>	<b>24.46</b>	<b>54.45</b>	-	-	-	-	<b>1,342.72</b>	<b>1,441.19</b>
<b>Grand Total (A+B)</b>	<b>7,739.93</b>	<b>9,791.13</b>	<b>1,262.79</b>	<b>1,543.38</b>	<b>0.73</b>	<b>3.97</b>	-	-	<b>1,342.72</b>	<b>1,441.19</b>

# other expenses include outsourcing cost and software license fees.

**Notes to financial statements for the year ended 31 March 2016**

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

**e) Transactions with related parties during the year**

	Investments		Payment for use of facilities		Receipt for use of facilities		Dividend income		Purchase of capital equipments	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Subsidiaries</b>										
- HCL Comnet Limited	-	-	-	0.22	-	0.06	-	-	-	-
- HCL Eagle Limited	-	-	-	-	2.36	3.06	-	-	-	-
- HCL Bermuda Limited	-	(59.49)	-	-	-	-	-	-	-	-
- HCL Singapore Pte. Limited	-	-	-	-	-	-	61.64	78.24	-	-
- HCL Training and Staffing Services Private Limited	2.35	-	-	-	0.24	-	-	-	0.06	-
- HCL Comnet Systems & Services Ltd.	-	-	0.32	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>2.35</b>	<b>(59.49)</b>	<b>0.32</b>	<b>0.22</b>	<b>2.60</b>	<b>3.12</b>	<b>61.64</b>	<b>78.24</b>	<b>0.06</b>	<b>-</b>
<b>Significant influence</b>										
- HCL Infosystems Limited	-	-	1.33	3.31	-	-	-	-	2.05	3.07
- SSN Investments (Pond) Pvt. Limited	-	-	9.96	10.72	-	-	-	-	-	-
- Easy Access Financial Services Limited	-	-	-	1.64	-	-	-	-	-	-
- Redington Distribution Pte. Limited	-	-	-	-	-	-	-	-	-	18.31
- HCL Insys Pte. Limited	-	-	-	-	-	-	-	-	0.12	0.43
- Others	-	-	-	1.37	-	-	-	-	0.82	2.52
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>11.29</b>	<b>17.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.99</b>	<b>24.33</b>
<b>Grand Total (A+B)</b>	<b>2.35</b>	<b>(59.49)</b>	<b>11.61</b>	<b>17.26</b>	<b>2.60</b>	<b>3.12</b>	<b>61.64</b>	<b>78.24</b>	<b>3.05</b>	<b>24.33</b>

Note:-

During the year, the Company has paid ₹ 2.35 crores to Vama Sundari Investments (Delhi) Private Limited for acquisition of the entire equity share capital of HCL Training and Staffing Services Private Limited.

**Notes to financial statements for the year ended 31 March 2016**

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

**Transactions with Key Managerial personnel during the year**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Chairman and Chief Strategy Officer</b>		
i) Remuneration	9.07	12.15
<b>Chief Executive Officer</b>		
i) Remuneration	38.19	28.66
ii) Loan provided	-	15.00
ii) Loan outstanding at end of the year	15.00	15.00
iii) Interest received by company on loan provided	1.25	0.72
iv) Dividend paid	0.33	0.24
v) Stock options		
- Exercised - No's (options)	25,600	-
- Exercise price - ₹	16	-
<b>Chief Financial Officer</b>		
i) Remuneration	3.46	8.14
ii) Dividend paid	0.25	0.21
iii) Stock options		
- Exercised - No's (options)	3,860	3,360
- Exercise price - ₹	16	8
<b>Company Secretary</b>		
i) Remuneration	0.54	0.54
ii) Dividend paid	0.02	0.01
iii) Stock options		
- Exercised - No's (options)	1,440	960
- Exercise price - ₹	16	8

In addition to the above, the Chairman and Chief Strategy Officer and Chief Financial Officer also receive remuneration from subsidiaries:

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Chairman and Chief Strategy Officer</b>		
i) Remuneration	3.53	4.48
<b>Chief Financial Officer</b>		
i) Remuneration	1.19	1.58

**Transactions with Directors during the year**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Commission & other benefits to Directors (includes sitting fees)	5.28	6.62



**Notes to financial statements for the year ended 31 March 2016**

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

**f) Outstanding balances with related parties**

	Trade receivables		Trade payables		Short term Income received in advance		Capital accounts payables (including supplier credit)	
	As at		As at		As at		As at	
	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015
<b>Subsidiaries</b>								
- HCL America Inc.	1,075.38	851.76	87.95	126.42	130.16	137.55	-	-
- HCL Great Britain Limited	101.89	143.78	25.14	51.53	22.52	51.42	-	-
- HCL Singapore Pte. Limited	39.88	22.58	3.10	11.23	5.17	1.17	-	-
- HCL Australia Services Pty. Limited	53.05	77.62	1.53	0.37	8.62	2.86	-	-
- HCL Sweden AB	91.24	65.75	4.94	5.55	8.45	15.32	-	-
- HCL Technologies France	84.51	157.17	1.05	2.91	0.14	-	-	-
- Others	923.64	579.41	177.22	88.86	43.20	29.17	-	-
<b>Total (A)</b>	<b>2,369.59</b>	<b>1,898.07</b>	<b>300.93</b>	<b>286.87</b>	<b>218.26</b>	<b>237.49</b>	<b>-</b>	<b>-</b>
<b>Significant influence</b>								
- HCL Infosystems Limited	13.00	3.59	0.05	0.27	19.85	1.60	3.60	6.62
- HCL Infotech Limited	-	146.94	-	0.34	-	17.88	-	0.21
- Statstreet HCL Services (India) Private Limited	6.99	2.34	-	-	-	-	-	-
- Others	1.00	0.74	1.10	0.16	-	0.09	0.01	0.04
<b>Total (B)</b>	<b>20.99</b>	<b>153.61</b>	<b>1.15</b>	<b>0.77</b>	<b>19.85</b>	<b>19.57</b>	<b>3.61</b>	<b>6.87</b>
<b>Grand Total (A+B)</b>	<b>2,390.58</b>	<b>2,051.68</b>	<b>302.08</b>	<b>287.64</b>	<b>238.11</b>	<b>257.06</b>	<b>3.61</b>	<b>6.87</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**f) Outstanding balances with related parties**

	Guarantee outstanding refer note 2.31(b)		Liabilities for expense		Long term Income received in advance		Supplier credit	
	As at		As at		As at		As at	
	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015
<b>Subsidiaries</b>								
- HCL America Inc.	188.21	180.78	214.39	235.13	29.88	47.55	-	-
- HCL Great Britain Limited	-	-	85.24	63.97	16.47	34.17	-	-
- HCL Comnet Limited	-	-	5.73	8.09	-	-	-	-
- HCL Bermuda Limited	95.53	100.05	-	-	-	-	-	-
- HCL Japan Limited	-	-	1.34	1.08	-	-	-	-
- HCL Insurance BPO Services Limited	401.21	420.21	-	-	-	-	-	-
- HCL Singapore Pte. Limited	30.48	29.28	5.75	8.63	1.47	-	-	-
- Axon Solution Limited	-	-	123.71	92.02	-	-	-	-
- Others	-	-	142.04	78.63	9.82	11.66	-	-
<b>Total (A)</b>	<b>715.43</b>	<b>730.32</b>	<b>578.20</b>	<b>487.55</b>	<b>57.64</b>	<b>93.38</b>	<b>-</b>	<b>-</b>
<b>Significant influence</b>								
- HCL Infosystems Limited	-	-	0.35	0.56	-	-	5.80	5.71
- Digijlife Distribution and Marketing Services Limited	-	-	-	-	-	-	-	0.86
- HCL Talent Care Pvt. Limited	-	-	1.51	4.59	-	-	-	-
- Others	-	-	0.32	1.24	-	-	7.37	2.97
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>2.18</b>	<b>6.39</b>	<b>-</b>	<b>-</b>	<b>13.17</b>	<b>9.54</b>
<b>Grand Total (A+B)</b>	<b>715.43</b>	<b>730.32</b>	<b>580.38</b>	<b>493.94</b>	<b>57.64</b>	<b>93.38</b>	<b>13.17</b>	<b>9.54</b>

**Notes to financial statements for the year ended 31 March 2016**  
(All amounts in crores of ₹, except share data and as stated otherwise)

**f) Outstanding balances with related parties**

	Loans and advances		Unbilled revenue		Deferred cost		Advance received from customer		Capital advance	
	As at		As at		As at		As at		As at	
	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015	31 March 2016	30 June 2015
<b>Subsidiaries</b>										
- HCL America Inc.	22.05	15.60	547.82	334.71	-	-	-	-	-	-
- HCL Great Britain Limited	3.96	4.42	112.18	75.56	-	-	-	-	-	-
- HCL Connet Limited	0.61	2.28	4.95	4.78	2.01	2.01	-	-	-	-
- HCL Australia Services Pty. Limited	1.51	0.82	30.50	18.59	-	-	-	-	-	-
- HCL Gmbh	9.85	10.17	9.92	0.88	-	-	-	-	-	-
- HCL Technologies UK Limited	17.22	-	55.96	46.40	-	-	-	-	-	-
- Others	22.38	21.45	171.13	89.70	-	-	-	-	-	-
<b>Total (A)</b>	<b>77.58</b>	<b>54.74</b>	<b>932.46</b>	<b>570.62</b>	<b>2.01</b>	<b>2.01</b>	-	-	-	-
<b>Significant influence</b>										
- HCL Infosystems Limited	1.00	0.95	1.76	9.06	-	-	2.41	2.41	1.00	-
- SSN Investments (Pond) Pvt. Limited	-	1.38	-	-	-	-	-	-	-	-
- Statesireet HCL Services (India) Private Limited	1.04	0.42	2.18	2.51	-	-	-	-	-	-
- Others	3.02	0.83	0.06	4.72	-	-	-	-	-	-
<b>Total (B)</b>	<b>5.06</b>	<b>3.58</b>	<b>4.00</b>	<b>16.29</b>	-	-	<b>2.41</b>	<b>2.41</b>	<b>1.00</b>	-
<b>Grand Total (A+B)</b>	<b>82.64</b>	<b>58.32</b>	<b>936.46</b>	<b>586.91</b>	<b>2.01</b>	<b>2.01</b>	<b>2.41</b>	<b>2.41</b>	<b>1.00</b>	-

**Notes to financial statements for the year ended 31 March 2016**

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

**2.30 Research and development expenditure**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Revenue	102.62	181.77
Capital	-	-
	<b>102.62</b>	<b>181.77</b>

**2.31 Commitments and Contingent liabilities**

	As at	
	31 March 2016	30 June 2015
<b>a) i) Capital and other commitments</b>		
<b>Capital commitments</b>		
Estimated amount of unexecuted capital contracts (net of advances)	259.28	491.29
	<b>259.28</b>	<b>491.29</b>
<b>ii) Contingent Liabilities</b>		
Others	0.63	0.63
	<b>0.63</b>	<b>0.63</b>

The Company is involved in various lawsuits, claims and proceedings that arise in the ordinary course of business, outcome of which is inherently uncertain. Certain 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 adjust 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 our business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as of 31 March 2016.

- b) Guarantees have been given by the Company on behalf of various subsidiaries against credit facilities, financial assistance and office premises taken on lease amounting to ₹ 715.43 crores (Previous year ₹ 730.32 crores). These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company, on the basis of the beneficiaries fulfilling their ordinary commercial obligations.
- c) The Company has a comprehensive system of maintaining information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants annually for conducting transfer pricing studies to determine whether transactions with associated enterprises undertaken during the financial year, are on an "arm's length basis". Adjustments, if any, arising from the transfer pricing studies in the respective jurisdictions will be accounted for when the study is completed for the current financial year. The management is of the opinion that its transactions with associates are at arm's length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

**2.32 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 2016		For the year ended 30 June 2015	
	Principal	Interest	Principal	Interest
Amount due to vendors	0.49	0.01	0.64	0.04
Principal amount paid beyond the appointed date		-		-
Interest under normal credit terms -				
Accrued and unpaid during the year		-		-
Total interest payable -				
Accrued and unpaid during the year		0.01		0.04

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

**Notes to financial statements for the year ended 31 March 2016**

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

**2.33 Derivative Financial Instruments**

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Risk Management Policy. The counter parties in these derivative instruments are banks and the Company considers the risks of non-performance by the counterparty as insignificant. The Company has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges and the related forecasted transactions extend through April 2018. The Company does not use forward contracts and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding: -

Self Cover	As at	
	31 March 2016	30 June 2015
<b>Foreign Currency</b>	<b>Rupee equivalent (₹ in Crores)</b>	
USD / INR	1,823.94	3,173.97
GBP / INR	26.90	10.00
EURO / INR	15.07	88.97
EURO / USD	-	101.40
AUD / USD	-	62.47
AUD / INR	22.18	-
CHF / USD	2.55	75.55
SEK / USD	1.54	42.77
GBP / USD	-	110.05
ZAR / USD	4.50	55.65
JPY / USD	-	15.60
NOK / USD	-	93.85
NOK / INR	29.62	-
RUB / USD	9.90	21.18
CHF / INR	66.12	6.84
SEK / INR	88.29	11.60
CNY / USD	107.71	-
	<b>2,198.32</b>	<b>3,869.90</b>

Options	As at	
	31 March 2016	30 June 2015
<b>Foreign Currency</b>	<b>Rupee equivalent (₹ in Crores)</b>	
<b>Range Forward</b>		
USD / INR	3,193.67	3,336.72
GBP / INR	352.68	543.77
EURO / INR	620.21	663.65
AUD / INR	132.34	67.51
CHF / INR	8.51	-
<b>Seagull</b>		
USD / INR	53.01	182.04
EURO / INR	30.14	30.61
<b>Put Options</b>		
USD / INR	159.04	-
<b>Total</b>	<b>4,549.60</b>	<b>4,824.30</b>

**Notes to financial statements for the year ended 31 March 2016**

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

The following table summarizes the activity in the hedging reserve related to all derivatives classified as cash flow hedges during the years ended 31 March 2016 (nine months) and 30 June 2015 (twelve months).

	Year ended	
	31 March 2016	30 June 2015
(Loss)/Gain as at the beginning of the year	(50.39)	(261.33)
Unrealized gain on cash flow hedging derivatives during the year	30.32	121.67
Net losses reclassified into net income on occurrence of hedged transactions	30.05	89.27
(Loss)/Gain as at the end of the year	<b>9.98</b>	<b>(50.39)</b>
Deferred tax	(1.89)	9.71
Hedging reserve account (net of deferred tax)	<b>8.09</b>	<b>(40.68)</b>

As of the balance sheet date, the Company's net foreign currency exposure that is not hedged is ₹ 1,812.31 (Previous year ₹ Nil). The estimated net amount of existing gain that is expected to be reclassified into the income statement within the next twelve months is ₹ 18.16 crores (Previous year loss of ₹ 12.88 crores).

**2.34 Employee Benefit Plans**

The Company has calculated the various benefits provided to employees as shown below:

**A. Defined Contribution Plans and State Plans**

Superannuation Fund

Employer's contribution to Employees State Insurance

Employer's contribution to Employee Pension Scheme

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

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Superannuation Fund	1.23	1.78
Employer's contribution to Employees State Insurance	2.23	3.30
Employer's contribution to Employee's Pension Scheme	60.21	72.63
<b>Total</b>	<b>63.67</b>	<b>77.71</b>

**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**

Net employee benefit expense (recognized in Employee Cost)

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Current Service cost	39.55	45.80
Interest cost on benefit obligation	16.47	20.34
Net Actuarial loss recognized in the year	(11.44)	(7.41)
Past Service cost	-	-
<b>Net benefit expense</b>	<b>44.58</b>	<b>58.73</b>

**Notes to financial statements for the year ended 31 March 2016**

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

**Balance Sheet**

Details of provision of gratuity

	Year ended	
	31 March 2016	30 June 2015
Defined benefit obligations	267.70	245.36
Fair value of plan assets	-	-
	267.70	245.36
Less: Unrecognized past service cost	-	-
<b>Plan Liability</b>	<b>267.70</b>	<b>245.36</b>

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

	Year ended	
	31 March 2016	30 June 2015
Opening defined benefit obligations	245.36	207.94
Current service cost	39.55	45.80
Interest cost	16.47	20.34
Actuarial gain/loss on obligation	(11.44)	(7.41)
Benefits paid	(22.24)	(21.31)
<b>Closing defined benefit obligations</b>	<b>267.70</b>	<b>245.36</b>

	Year ended	
	31 March 2016	30 June 2015
Discount rate	7.85%	8.05%
Estimated Rate of salary increases	7%	7%
Employee Turnover	23%	23%
Expected rate of return on assets	N.A.	N.A.

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

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

	Year ended				
	31 March 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Defined benefit obligations	267.70	245.36	207.94	188.38	140.65
Experience adjustment to plan liabilities	(14.30)	(17.05)	(8.78)	(1.19)	7.69

**Employer's contribution to provident fund**

The actuary has provided a valuation and based on the assumptions mentioned below, there is no shortfall as at 31 March 2016 and 30 June 2015.

	As at	
	31 March 2016	30 June 2015
Plan assets at the year end	2,078.42	1,845.71
Present value of benefit obligation at year end	2,078.42	1,845.71
<b>Asset recognized in balance sheet</b>	<b>-</b>	<b>-</b>

**Notes to financial statements for the year ended 31 March 2016**

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

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

	31 March 2016	30 June 2015
Government of India(GOI) bond yield	9.44%	9.44%
Remaining term of maturity	8.43 years	7.83 Years
Expected guaranteed interest rate	8.75%	8.75%

During the year ended 31 March 2016 (nine months), the Company has contributed ₹ 66.21 crores [Previous year (twelve months) ₹ 83.80 crores] towards employer's contribution to the provident fund.

**2.35 Corporate social responsibility**

As required by the Companies Act, 2013, the gross amount required to be spent by the Company on CSR activities is ₹ 122.13 crores (Previous year ₹ 89.99 crores) and the amount spent during the year is ₹ 13.04 crores (Previous year ₹ 6.22 crores).

**2.36 Particulars of purchase, sales and closing stock of trading goods:**

ITEMS	Opening Stock	Purchases	Closing Stock	Sales
	Value (₹)	Value (₹)	Value (₹)	Value (₹)
Software Licenses	5.56	37.49	19.57	26.75
	(2.33)	(38.49)	(5.56)	(42.03)
Servers	2.99	48.34	38.07	15.55
	(4.04)	(137.43)	(2.99)	(136.40)
Storage devices	2.27	16.57	13.20	6.17
	(0.07)	(39.37)	(2.27)	(31.63)
Routers	0.08	9.24	4.66	4.85
	(0.13)	(25.41)	(0.08)	(21.09)
Switches	0.72	11.12	6.69	5.56
	(0.15)	(25.17)	(0.72)	(25.39)
Others*	70.15	39.90	46.37	67.10
	(8.82)	(97.89)	(70.15)	(58.22)
<b>Total</b>	<b>81.77</b>	<b>162.66</b>	<b>128.56</b>	<b>125.98</b>
	<b>(15.54)</b>	<b>(363.76)</b>	<b>(81.77)</b>	<b>(314.76)</b>

\* Does not include any item which in value individually accounts for 10% or more of the total value of sales/stock.

**Note:-** Previous year figures are given in brackets.

**2.37 CIF value of imports**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Capital goods	95.14	142.75
Others	70.67	58.28
	<b>165.81</b>	<b>201.03</b>



**Notes to financial statements for the year ended 31 March 2016**

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

**2.38 Expenditure in foreign currency (on accrual basis)**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Outsourcing costs	974.90	1,219.15
Travel	164.25	206.64
Rates and taxes	0.98	1.71
Software license fee	24.02	32.98
Communication costs	10.69	16.70
Professional fees	10.63	0.63
Recruitment training and development	5.20	8.22
Repair and maintenance	8.18	9.10
Others	37.57	40.63
	<b>1,236.42</b>	<b>1,535.76</b>

**2.39 Earnings in foreign currency (on accrual basis)**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Income from services	11,625.13	14,684.51
	<b>11,625.13</b>	<b>14,684.51</b>

**2.40 Auditor's remuneration**

	Year ended	
	31 March 2016	30 June 2015
<b>a) As Auditors</b>		
Statutory audit*	3.32	2.66
Tax audit fees*	0.32	0.30
Out of pocket expenses*	0.25	0.20
<b>b) For Certification*</b>	0.30	0.24
	<b>4.19</b>	<b>3.40</b>

\*excluding service tax

**Notes to financial statements for the year ended 31 March 2016**

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

**2.41 Dividend remitted in foreign currency**

	Year ended	
	31 March 2016	30 June 2015
<b>1<sup>st</sup> Interim Dividend</b>		
Number of non-resident shareholders	47	48
Number of shares held	239,841,392	119,957,036
Amount remitted in ₹ in crores (net of tax)	119.92	143.95
Amount remitted in foreign currency	\$18,472,073	\$23,526,754
Year to which it relates	2015-16	2014-15
<b>2<sup>nd</sup> Interim Dividend</b>		
Number of non-resident shareholders	48	47
Number of shares held	239,841,432	119,923,196
Amount remitted in ₹ in crores (net of tax)	119.92	71.95
Amount remitted in foreign currency	\$18,402,627	\$11,700,775
Year to which it relates	2015-16	2014-15
<b>3<sup>rd</sup> Interim Dividend</b>		
Number of non-resident shareholders	51	47
Number of shares held	239,967,722	119,923,196
Amount remitted in ₹ in crores (net of tax)	143.98	95.94
Amount remitted in foreign currency	\$21,198,562	\$15,444,815
Year to which it relates	2015-16	2014-15
<b>4<sup>th</sup> Interim Dividend</b>		
Number of non-resident shareholders	-	47
Number of shares held	-	239,846,392
Amount remitted in ₹ in crores (net of tax)	-	95.94
Amount remitted in foreign currency	-	\$15,175,349
Year to which it relates	-	2014-15

**2.42 Subsequent event**

On 1<sup>st</sup> April 2016, the Company has entered into an agreement for acquisition of the IT enabled engineering services, PLM ('Product Lifecycle Management') services and engineering design productivity software tools business of Geometric Limited by way of demerger through a Court approved scheme of arrangement under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (including those of the Companies Act, 2013) to be effective from 31<sup>st</sup> March 2016.

The acquisition will be accounted for in the books of the Company on approval of the scheme by the Court and simultaneously with the acquisition of the demerged business, the Company will issue 10 equity shares of ₹ 2 each for every 43 fully paid equity shares of ₹ 2 each held by equity shareholders of Geometric Limited

**2.43 Previous year comparatives**

The current financial year of the Company is for a nine months period from 1 July 2015 to 31 March 2016. The figures for the current financial year are therefore not comparable with those of the previous year. Previous year figures have been rearranged to conform to the current year's classification.

**As per our report of even date**

**For S. R. BATLIBOI & CO. LLP**  
ICAI Firm Registration Number : 301003E  
Chartered Accountants

**per Tridibes Basu**  
Partner  
Membership Number: 17401

Gurgaon, India  
28 April, 2016

**For and on behalf of the Board of Directors  
of HCL Technologies Limited**

**Shiv Nadar**  
Chairman and Chief Strategy Officer

**Anant Gupta**  
President and Chief Executive Officer

**Manish Anand**  
Company Secretary

Noida (UP), India  
28 April, 2016

**Amal Ganguli**  
Director

**Anil Chanana**  
Chief Financial Officer

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of HCL Technologies Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of HCL Technologies Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the financial year (nine months period July 1, 2015 to March 31, 2016) then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

#### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate companies, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

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

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements. 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.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, and its associate companies, as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the financial year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

As required by section 143 (3) of the Act, 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 purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received from Directors of its subsidiaries and associate companies incorporated in India, none of the Directors of the Group companies and associate companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, and associate companies incorporated in India, refer to our separate report in "Annexure " to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, and its associate companies as of March 31, 2016;
  - ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in respect of such items as it relates to the Group and its associate companies and the Group's share of net profit in respect of its associate companies;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E

**per Tridibes Basu**  
**Partner**  
Membership Number: 17401

Place of Signature: Gurgaon, India  
Date: April 28, 2016

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HCL TECHNOLOGIES LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****To the Members of HCL Technologies Limited**

In conjunction with our audit of the Consolidated Financial Statements of HCL Technologies Limited as of and for the financial year ended March 31, 2016, we have audited the internal financial controls over financial reporting of HCL Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding 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.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act, the Consolidated Financial Statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 28, 2016 expressed an unqualified opinion thereon.

**For S.R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E

**per Tridibes Basu****Partner**

Membership Number: 17401

Place of Signature: Gurgaon, India

Date: April 28, 2016

## Consolidated Balance Sheet as at 31 March 2016

(All amounts in crores of ₹)

	Note No.	As at 31 March 2016	As at 30 June 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3.1	282.08	281.20
(b) Reserves and surplus	3.2	27,012.03	23,943.19
		<b>27,294.11</b>	<b>24,224.39</b>
<b>(2) Share application money pending allotment</b>	3.3	0.05	0.02
<b>(3) Minority interest</b>		311.64	82.11
<b>(4) Non - current liabilities</b>			
(a) Long-term borrowings	3.4	737.40	167.89
(b) Other long-term liabilities	3.5	442.90	614.57
(c) Long term provisions	3.6	397.89	210.64
		<b>1,578.19</b>	<b>993.10</b>
<b>(5) Current liabilities</b>			
(a) Short term borrowings	3.7	214.44	355.48
(b) Trade payables	3.8	699.59	625.41
(c) Other current liabilities	3.8	7,441.93	7,230.62
(d) Short term provisions	3.9	1,803.72	1,733.54
		<b>10,159.68</b>	<b>9,945.05</b>
<b>TOTAL</b>		<b>39,343.67</b>	<b>35,244.67</b>
<b>II. ASSETS</b>			
<b>(1) Non - current assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	3.10	3,816.61	3,403.69
(ii) Intangible assets	3.10	6,138.75	4,871.58
(iii) Capital work in progress		606.07	551.52
		<b>10,561.43</b>	<b>8,826.79</b>
(b) Non - current investments	3.11	320.53	106.81
(c) Deferred tax assets (net)	3.12	825.74	789.71
(d) Long term loans and advances	3.13	1,745.83	1,442.19
(e) Other non-current assets	3.14	1,029.98	1,032.37
		<b>14,483.51</b>	<b>12,197.87</b>
<b>(2) Current Assets</b>			
(a) Current investments	3.11	534.74	762.58
(b) Inventories	3.15	264.48	157.61
(c) Trade receivables	3.16	7,681.82	6,538.69
(d) Cash and bank balances	3.17	9,285.45	9,786.23
(e) Short - term loans and advances	3.18	3,339.98	2,188.84
(f) Other current assets	3.19	3,753.69	3,612.85
		<b>24,860.16</b>	<b>23,046.80</b>
<b>TOTAL</b>		<b>39,343.67</b>	<b>35,244.67</b>
<b>Summary of significant accounting policies</b>	<b>1</b>		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. BATLIBOI & CO. LLP  
ICAI Firm Registration Number : 301003E  
Chartered Accountants

per Tridibes Basu  
Partner  
Membership Number: 17401

Gurgaon, India  
28 April, 2016

For and on behalf of the Board of Directors  
of HCL Technologies Limited

Shiv Nadar  
Chairman and Chief Strategy Officer

Anant Gupta  
President and Chief Executive Officer

Manish Anand  
Company Secretary

Noida (UP), India  
28 April, 2016

Amal Ganguli  
Director

Anil Chanana  
Chief Financial Officer

**Consolidated Statement of Profit and Loss for the year ended 31 March 2016**

(All amounts in crores of ₹)

	Note No.	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
<b>Income</b>			
Revenue from operations	3.20	30,780.80	36,701.22
Other income	3.21	895.44	1,139.46
<b>Total revenue</b>		<b>31,676.24</b>	<b>37,840.68</b>
<b>Expenses</b>			
Purchase of traded goods		812.53	1,306.38
Changes in inventories of traded goods	3.22	(108.75)	(35.65)
Employee benefits expense	3.23	15,093.18	17,726.43
Finance costs	3.24	73.81	91.23
Depreciation and amortization expense	3.10	392.95	403.75
Other expenses	3.25	8,443.38	9,231.48
<b>Total expenses</b>		<b>24,707.10</b>	<b>28,723.62</b>
<b>Profit before tax</b>		<b>6,969.14</b>	<b>9,117.06</b>
Tax expense			
Current tax		1,573.84	2,128.42
MAT credit entitlement		(182.01)	(311.95)
Deferred tax credit		(27.94)	(1.36)
Total tax expense		1,363.89	1,815.11
<b>Profit after tax and before minority interest / share of profit of associates</b>		<b>5,605.25</b>	<b>7,301.95</b>
Share of profit of associates		56.20	39.90
<b>Profit for the year</b>		<b>5,661.45</b>	<b>7,341.85</b>
<b>Profit attributable to</b>			
Owners of the Company		5,643.04	7,317.07
Minority interest		18.41	24.78
		5,661.45	7,341.85
<b>Earnings per equity share of par value ₹ 2 each</b>	3.27		
Basic (in ₹)		40.08	52.09
Diluted (in ₹)		39.98	51.79
<b>Summary of significant accounting policies</b>	1		

The accompanying notes are an integral part of the financial statements

**As per our report of even date**
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration Number : 301003E  
 Chartered Accountants

**per Tridibes Basu**  
**Partner**  
 Membership Number: 17401

 Gurgaon, India  
 28 April, 2016

**For and on behalf of the Board of Directors**  
**of HCL Technologies Limited**
**Shiv Nadar**  
 Chairman and Chief Strategy Officer

**Anant Gupta**  
 President and Chief Executive Officer

**Manish Anand**  
 Company Secretary

 Noida (UP), India  
 28 April, 2016

**Amal Ganguli**  
 Director

**Anil Chanana**  
 Chief Financial Officer

**Consolidated Cash flow statement**

(All amounts in crores of ₹)

	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
<b>A. Cash flows from operating activities</b>		
Profit before tax	6,969.14	9,117.06
<b>Adjustment for:</b>		
Depreciation and amortization	392.95	403.75
Interest income	(648.67)	(814.20)
Profit on sale of investments (net)	(24.62)	(36.80)
Loss on sale of long term investment in joint venture	-	13.49
Interest expense	7.63	21.15
Profit on sale of fixed assets (net)	(145.52)	(155.83)
Employee stock compensation expense / (written back)	4.87	(15.39)
Other non cash charges	96.37	(31.53)
<b>Operating profit before working capital changes</b>	<b>6,652.15</b>	<b>8,501.70</b>
<b>Movement in Working Capital</b>		
(Increase) / decrease in trade receivables	(1,069.44)	(886.97)
(Increase) / decrease in inventories	(86.73)	(41.11)
(Increase) / decrease in loan and advances	(455.97)	122.60
(Increase) / decrease in other assets	8.39	(1,640.81)
Increase / (decrease) in other liabilities and provisions	148.16	1,258.26
<b>Cash generated from operations</b>	<b>5,196.56</b>	<b>7,313.67</b>
Direct taxes paid (net of refunds)	(1,400.07)	(1,774.47)
<b>Net cash flow from operating activities (A)</b>	<b>3,796.49</b>	<b>5,539.20</b>
<b>B. Cash flows from investing activities</b>		
Proceeds from bank deposit on maturity	4,469.84	7,782.07
Investments in bank deposits	(4,583.90)	(8,449.80)
Deposits placed with body corporate	(1,985.40)	(1,193.00)
Proceeds from maturity of deposits placed with body corporate	1,193.00	571.00
Purchase of investments in securities	(6,868.97)	(8,205.25)
Proceeds from sale of investments in securities	7,121.42	8,144.97
Proceeds from sale of long term investment in joint venture	-	9.93
Payments for business acquisitions, net of cash acquired (refer note 2)	(1,182.88)	-
Investment in associates (refer note 2)	(13.66)	-
Investment in limited liability partnership	(3.98)	(10.18)
Purchase of fixed assets, including capital work in progress and capital advances	(917.21)	(1,208.16)
Proceeds from sale of fixed assets	193.63	6.54
Entrusted loan provided (refer note 3.37)	-	(25.44)



**Consolidated Cash flow statement**

(All amounts in crores of ₹)

	Year ended 31 March 2016 (Nine months) refer note 1(a)	Year ended 30 June 2015 (Twelve months)
Interest received	642.94	830.46
Dividend received from joint venture	-	6.08
Taxes paid	(219.12)	(272.73)
<b>Net cash flow used in investing activities (B)</b>	<b>(2,154.29)</b>	<b>(2,013.51)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of share capital	0.91	10.45
Repayment of debentures	-	(500.00)
Proceeds from long term borrowings	692.99	90.58
Repayment of long term borrowings	(68.84)	(17.09)
Proceeds from short term borrowings	52.21	581.53
Repayment of short term borrowings	(195.25)	(456.25)
Proceeds from entrusted loan (refer note 3.37)	-	25.44
Interest paid	(7.62)	(23.69)
Dividend paid	(2,251.33)	(2,385.11)
Corporate dividend tax	(445.85)	(439.27)
Principal payment on finance lease obligations	(14.31)	(26.93)
<b>Net cash flows used in financing activities (C)</b>	<b>(2,237.09)</b>	<b>(3,140.34)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(594.89)	385.35
<b>Effect of exchange differences on cash and cash equivalents held in foreign currency</b>	(19.94)	(74.06)
Cash and cash equivalents at the beginning of the year	1,338.52	1,027.23
<b>Cash and cash equivalents at the end of the year as per note 3.17 (a) (refer note below)</b>	<b>723.69</b>	<b>1,338.52</b>

**Summary of significant accounting policies (note 1)**
**Note:**

Cash and cash equivalents include the following:

Investor education and protection fund-unclaimed dividend *	3.40	2.99
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\* The Group can utilize these balances only towards settlement of the respective above mentioned liabilities

The accompanying notes are an integral part of the financial statements

**As per our report of even date**
**For S. R. BATLIBOI & CO. LLP**  
 ICAI Firm Registration Number : 301003E  
 Chartered Accountants

**per Tridibes Basu**  
 Partner  
 Membership Number: 17401

 Gurgaon, India  
 28 April, 2016

**For and on behalf of the Board of Directors  
of HCL Technologies Limited**
**Shiv Nadar**  
 Chairman and Chief Strategy Officer

**Anant Gupta**  
 President and Chief Executive Officer

**Manish Anand**  
 Company Secretary

 Noida (UP), India  
 28 April, 2016

**Amal Ganguli**  
 Director

**Anil Chanana**  
 Chief Financial Officer

## Notes to consolidated financial statements for the year ended 31 March 2016

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

### Group Overview

HCL Technologies Limited (hereinafter referred to as “the Company” or “the Parent Company”) and its consolidated subsidiaries, joint ventures and associates (hereinafter collectively referred to as “the Group”) are primarily engaged in providing a range of software services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Group leverages its extensive offshore infrastructure and global network of offices and professionals located in various countries to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, hi-tech and semi-conductors) telecom, retail and consumer packaged goods services, media, publishing and entertainment, public services, energy and utility, healthcare and travel, transport and logistics.

### 1. Significant Accounting Policies

#### a) Basis of preparation

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

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

Section 2(41) of the Companies Act, 2013 requires all companies to have their financial year ending on 31st March. The Company has adopted this change from the current financial year and accordingly, the current financial year of the Company is for nine months period from 1st July 2015 to 31st March 2016 (hereinafter referred as “Year ended 31 March, 2016”). The financial statements of the subsidiary companies, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company. Accordingly, the figures for the current financial year are not comparable to those of the previous year.

#### b) Use of estimates

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

#### c) Principles of consolidation

These consolidated financial statements relate to HCL Technologies Limited, the Parent Company, its subsidiaries, joint venture and associates, which are as follows:

Subsidiaries of HCL Technologies Limited:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 31 March 2016 (Nine months)	Year ended 30 June 2015 (Twelve months)
			Holding Percentage	
1.	HCL Comnet Systems & Services Limited	India	100%	100%
2.	HCL Comnet Limited	India	100%	100%
3.	HCL Bermuda Limited	Bermuda	100%	100%
4.	HCL Technologies (Shanghai) Limited	China	100%	100%
5.	HCL Eagle Limited	India	92%	92%
6.	HCL Singapore Pte. Limited	Singapore	100%	100%
7.	HCL Training & Staffing Services Pvt. Ltd. #	India	100%	100%

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Step down subsidiaries of direct subsidiaries of HCL Technologies Limited as mentioned above are as follows:-

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 31 March 2016 (Nine months)	Year ended 30 June 2015 (Twelve months)
			Holding Percentage	
1.	HCL Great Britain Limited	UK	100%	100%
2.	HCL (Netherlands) BV	Netherlands	100%	100%
3.	HCL Belgium NV	Belgium	100%	100%
4.	HCL Sweden AB	Sweden	100%	100%
5.	HCL GmbH	Germany	100%	100%
6.	HCL Italy SRL	Italy	100%	100%
7.	HCL Australia Services Pty. Limited	Australia	100%	100%
8.	HCL (New Zealand) Limited	New Zealand	100%	100%
9.	HCL Hong Kong SAR Limited	Hong Kong	100%	100%
10.	HCL Japan Limited	Japan	100%	100%
11.	HCL America Inc.	USA	100%	100%
12.	HCL Technologies Austria GmbH	Austria	100%	100%
13.	HCL Global Processing Services Limited	India	100%	100%
14.	HCL BPO Services (NI) Limited	UK	100%	100%
15.	HCL (Malaysia) Sdn. Bhd.	Malaysia	100%	100%
16.	HCL Technologies Solutions Limited	India	100%	100%
17.	HCL Poland sp. z o.o	Poland	100%	100%
18.	HCL EAS Limited	UK	100%	100%
19.	HCL Insurance BPO Services Limited	UK	100%	100%
20.	HCL Expense Management Services Inc.	USA	100%	100%
21.	Axon Group Limited	UK	100%	100%
22.	HCL Axon Technologies Inc.	Canada	100%	100%
23.	HCL Technologies Solutions GmbH	Switzerland	100%	100%
24.	Axon Solutions Pty. Limited	Australia	100%	100%
25.	Axon Solutions Inc.	USA	100%	100%
26.	Axon Solutions Limited	UK	100%	100%
27.	HCL Axon Malaysia Sdn. Bhd.	Malaysia	100%	100%
28.	Axon Solutions Singapore Pte. Limited	Singapore	100%	100%
29.	Axon Solutions (Shanghai) Co. Limited	China	100%	100%
30.	HCL Axon (Proprietary) Limited	South Africa	70%	70%
31.	HCL Argentina s.a.	Argentina	100%	100%
32.	HCL Mexico S. de R.L.	Mexico	100%	100%
33.	HCL Technologies Romania s.r.l.	Romania	100%	100%
34.	HCL Hungary Kft	Hungary	100%	100%
35.	HCL Latin America Holding LLC	USA	100%	100%
36.	HCL (Brazil) Tecnologia da informacao Ltda.	Brazil	100%	100%
37.	HCL Technologies Denmark Apps	Denmark	100%	100%
38.	HCL Technologies Norway AS	Norway	100%	100%
39.	PT. HCL Technologies Indonesia Limited	Indonesia	100%	100%
40.	HCL Technologies Philippines Inc.	Philippines	100%	100%
41.	HCL Technologies South Africa (Proprietary) Limited	South Africa	70%	70%

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Sr. No.	Name of the Subsidiaries	Country of Incorporation	Year ended 31 March 2016 (Nine months)	Year ended 30 June 2015 (Twelve months)
			Holding Percentage	
42.	HCL Arabia LLC	Saudi Arabia	100%	100%
43.	HCL Technologies France	France	100%	100%
44.	Filial Espanola De HCL Technologies S.L	Spain	100%	100%
45.	Anzospan Investments Pty Limited	South Africa	70%	70%
46.	HCL Investments (UK) Limited	UK	100%	100%
47.	HCL America Solutions Inc.	USA	100%	100%
48.	HCL Technologies Chile Spa	Chile	100%	100%
49.	HCL Technologies UK Limited	UK	100%	100%
50.	HCL Technologies B.V.	Netherlands	100%	100%
51.	HCL (Ireland) Information Systems Limited	Ireland	100%	100%
52.	HCL Technologies Germany GmbH	Germany	100%	100%
53.	HCL Technologies Belgium N.V.	Belgium	100%	100%
54.	HCL Technologies Sweden AB	Sweden	100%	100%
55.	HCL Technologies Finland Oy	Finland	100%	100%
56.	HCL Technologies Italy S.P.A	Italy	100%	100%
57.	HCL Technologies Columbia S.A.S	Columbia	100%	100%
58.	HCL Technologies Middle East FZ-LLC	UAE	100%	100%
59.	HCL Istanbul Bilisim Teknolojileri Limited Sirketi	Turkey	100%	100%
60.	HCL Technologies Greece Single Member P.C	Greece	100%	100%
61.	HCL Technologies S.A.	Venezuela	100%	100%
62.	HCL Technologies Beijing Co., Ltd	China	100%	100%
63.	HCL Technologies Luxembourg S.a r.l	Luxembourg	100%	100%
64.	HCL-TEN Ventures, LLC !	USA	100%	100%
65.	HCL Technologies Egypt Limited	Egypt	100%	100%
66.	HCL Technologies Estonia OÜ	Estonia	100%	100%
67.	HCL Technologies (Thailand) Ltd.	Thailand	100%	100%
68.	HCL Technologies Czech Republic s.r.o. *	Czech Republic	100%	-
69.	HCL Joint Venture Holding Inc. *	USA	100%	-
70.	HCL Muscat Technologies L.L.C. *	Oman	100%	-
71.	CeleritiFintech Limited *	UK	51%	-
72.	CeleritiFintech USA, Inc. *	USA	51%	-
73.	CeleritiFintech Australia Pty Limited *	Australia	51%	-
74.	CeleritiFintech Germany GmbH *	Germany	51%	-
75.	CeleritiFintech Italy S.R.L. *	Italy	51%	-
76.	Concept2Silicon Systems Private Limited #	India	100%	-
77.	Powerteam, LLC #	USA	100%	-
78.	Point to Point Limited #	UK	100%	-
79.	Point to Point Products Limited #	UK	100%	-

! Dissolved during the year

\* incorporated during the year

# acquired during the year

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Associates of HCL Technologies Limited are as follows:-

Sr. No.	Name of the Associates	Country of Incorporation	Year ended 31 March 2016 (Nine months)	Year ended 30 June 2015 (Twelve months)
			Holding Percentage	
1.	Statestreet HCL Holding UK Limited	UK	49%	49%
2.	Statestreet HCL Services (India) Private Limited (100% subsidiary of associate)	India	49%	49%
3.	Statestreet HCL Services (Philippines) Inc. (100% subsidiary of associate)	Philippines	49%	49%
4.	CeleritiFintech Services Limited *	UK	49%	-

\* CeleritiFintech Services Limited financial statements are accounted for upto 31 December 2015. There is no material transaction between the reporting dates of the associate and that of Group.

Consolidation of financial statements of associates and their step down subsidiaries is carried out in accordance with the equity method in terms of Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

The Group has formulated a joint venture with State Street International Holdings with equity interest of 49% and 100% dividend rights. The shareholders' agreement provides specific rights to the two shareholders. The management believes that these specific rights do not confer joint control as defined in Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures".

"HCL Technologies Ltd." (Parent) has subscribed to 100% share capital of "HCL Foundation" (Company), a not for profit company registered under Section 8 of the Companies Act, 2013 with a paid-up capital of ₹ 0.05 crores. Since the objective of the Parent is not to obtain economic benefit from the Company, it has not been considered for the purpose of preparation of consolidated financial statements.

Subsidiary companies are those in which the Group, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors of such companies. Subsidiaries are consolidated from the date on which effective control is transferred to the Group until the date of cessation of the parent-subsidiary relationship. The financial statements of the subsidiary companies, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company. Joint ventures are accounted for using proportionate consolidation. Investments in associates are accounted for using the equity method.

The share of profit/loss in limited liability partnership (LLP) is accounted for in the books of the Company as and when it is credited/ debited to the Partners' Capital Account in accordance with the guidance note issued by the Institute of Chartered Accountants of India.

All material intercompany transactions, balances and unrealized surplus and deficit on transactions between Group companies are eliminated and only the parent's share in net assets is considered for calculation of goodwill. Consistency in adoption of accounting policies among all Group companies is ensured. Separate disclosures are made of minority interest.

Minority interest in subsidiaries represents the minority shareholders' proportionate share of net assets and the net income of Company's majority owned subsidiaries.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the fair value of net assets in each acquired company. The goodwill arising on consolidation is not amortized but tested for impairment on a periodic basis.

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

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group identifies and determines separate useful lives for each major component of the fixed asset, if they have a useful life that is materially different from that of the asset as a whole.

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

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

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

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**e) Depreciation on tangible fixed assets**

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

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

	<b>Life (in years)</b>
Land-leasehold	Over the period of lease (up to a maximum of 99 years)
Buildings	20
Plant and machinery (including air conditioners, electrical installations)	10 - 17
Office equipments	5
Computers	4-5
Furniture and fixtures	7
Vehicles - owned	5
Vehicles - leased	Over the period of lease or 5 years, whichever is lower
Leasehold-improvements	Over the lease period or useful life of the asset, whichever is lower

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. 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.

**f) Intangible assets**

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

Intangible assets are amortized in the pattern in which the asset's economic benefits are consumed or on a straight line basis if that pattern cannot be determined reliably. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life.

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

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

Any other goodwill including that arising on consolidation of subsidiaries is not amortized. Goodwill arising out of amalgamation is amortized over 5 years unless a longer period can be justified.

The management's estimates of the useful lives of various other intangible assets are as follows:

	<b>Life (in years)</b>
Software	3
Intellectual Property Rights	10 - 15

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**g) Research and development costs**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) Its intention to complete the asset;
- (iii) The availability of adequate resources to complete the development and to use or sell the asset; and
- (iv) The ability to measure reliably the expenditure attributable to the intangible asset during development.
- (v) Its ability to use or sell the asset;
- (vi) How the asset will generate future economic benefits;

Any expenditure so capitalized is amortized over the period of expected future use or sales from the related asset.

The carrying value of development costs is reviewed annually for impairment when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

**h) Leases*****Where the Group is the lessee***

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

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

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

***Where the Group is the lessor***

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

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

**i) Borrowing cost**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

**j) Impairment of tangible and intangible assets**

An assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible or intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**k) Investments**

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

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

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

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

**l) Inventories**

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

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

**m) Revenue recognition**

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

The Group derives revenues primarily from:-

- Software services;
- IT Infrastructure services; and
- Business process outsourcing services.

**i) Software services**

Revenue from software services comprises income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as related services are performed. Revenue from fixed price contracts is recognized in accordance with the percentage completion method under which revenue is recognized on the basis of cost incurred in respect of each contract as a proportion of total cost expected to be incurred. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provision for estimated losses is made during the year in which a loss becomes probable based on current cost estimates. Revenue from sale of licenses for the use of software applications is recognized on transfer of title in the user license. Revenue from annual technical service contracts is recognized on a pro rata basis over the period in which such services are rendered. Income from revenue sharing agreements is recognized when the right to receive is established.

**ii) IT Infrastructure services**

Revenue from sale of products is recognized when risk and reward of ownership have been transferred to the customer, the sale price is fixed or determinable and collectability is reasonably assured. Revenue related to products with installation services that are critical to the products is recognized when installation of networking equipment at customer site is completed



**Notes to consolidated financial statements for the year ended 31 March 2016**

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and accepted by the customer. Revenue from bandwidth services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue from maintenance services is recognized ratably over the period of the contract. Revenue from IT infrastructure management services comprises income from time-and-material, and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue with respect to fixed price contracts is recognized in accordance with the percentage of completion method.

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

In case of multiple-deliverable contracts where revenue cannot be allocated to various deliverables in a contract, the entire contract is accounted for as one deliverable and accordingly the revenue is recognized on a proportionate completion method following the performance pattern of predominant services in the contract or is deferred until the last deliverable is delivered.

iii) **Business process outsourcing services**

Revenue from business process outsourcing services is derived from both time based and unit-price contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customers.

Earnings in excess of billing are classified as unbilled revenue, while billing in excess of earnings are classified as unearned revenue. Incremental revenue from existing contracts arising on future sales of the customers' products will be recognized when it is earned. Revenue and related direct costs from transition services in outsourcing arrangements are deferred and recognized over the period of the arrangement. Certain upfront non-recurring costs incurred in the initial phases of outsourcing contracts and contract acquisition costs, are deferred and amortized usually on a straight line basis over the term of the contract. The Group periodically estimates the undiscounted cash flows from the arrangement and compares it with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

The Group gives volume discounts and pricing incentives to customers. The discount terms in the Group's arrangements with customers generally entitle the customer to discounts, if the customer completes a specified level of revenue transactions. In some arrangements, the level of discount varies with increases in the levels of revenue transactions. The Group recognizes discount obligations as a reduction of revenue based on the rateable allocation of the discount to each of the underlying revenue transactions that result in progress by the customer toward earning the discount.

Revenues are shown net of sales tax, value added tax, service tax and applicable discounts and allowances.

Revenue from finance leases is recognized when risk of loss is transferred to the customer and there are no unfulfilled obligations that affect the customer's final acceptance of the arrangement. Interest attributable to finance leases is recognized on the accrual basis using the effective interest method.

iv) **Others**

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

n) **Foreign currency translation**

(i) **Initial Recognition**

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

(ii) **Conversion**

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

(iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the statement of profit and loss in the year in which they arise.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**(iv) Hedging****(a) Cash flow hedging**

The Group uses derivative financial instruments (foreign currency forward and option contracts) to hedge its risks associated with foreign currency fluctuations relating to certain highly probable forecast transactions.

The use of foreign currency forward and options contracts is governed by the Group's policies, which provide written principles on the use of such financial derivatives, consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. Changes in the fair value of these derivatives (net of tax) that are designated and effective as hedges of future cash flows are recognized directly in the hedging reserve account under shareholders' funds and the ineffective portion is recognized immediately in the statement of profit and loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to the statement of profit and loss for the year.

**(b) Hedging of monetary assets and liabilities**

Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as an expense for the year.

**(v) Translation of integral and non-integral foreign operation**

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation had been those of the Group itself.

In translating the financial statements of a non-integral foreign operation for incorporation in the financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate and income and expense items of the non-integral foreign operation are translated at weighted average rates, which approximate the actual exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which had been deferred and which relate to that operation are recognized as income or as an expense in the same period in which the gain or loss on disposal is recognized.

**o) Retirement and other employee benefits**

- i. Contributions to provident fund, a defined benefit plan, are deposited with a recognized Provident Fund Trust, set up by the Group. The Group's liability is actuarially determined at the end of the year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise. The minimum interest rate payable by the Trust to the beneficiaries every year is notified by the Government and the Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.
- ii. In respect of superannuation, a defined contribution plan for applicable employees, the Company contributes to a scheme administered on its behalf by an insurance company and such contributions for each year of service rendered by the employees are charged to the statement of profit and loss. The Company has no further obligations to the superannuation plan beyond its contributions.
- iii. Gratuity liability: The Company and its subsidiaries in India provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to a maximum of ₹ 10 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

- iv. Compensated absences: The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- v. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- vi. State Plans: The contribution to State Plans in India, a defined contribution plan namely Employee State Insurance Fund and Employees' Pension Scheme for the Company and its subsidiaries in India are charged to the statement of profit and loss.
- vii. Contributions to other foreign defined contribution plans are recognized as expense when employees have rendered services entitling them to such benefits.

**p) Taxation**

Tax expense comprises current and deferred tax. Current income tax expense comprises taxes on income from operations in India and foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961 and tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty, supported by convincing evidence, that they can be realized against future taxable profits. In situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

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

The Company and its subsidiaries in India are subject to Minimum Alternative Tax (MAT) on its book profits, which give rise to future economic benefits in the form of adjustments of future income tax liability. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Group or that particular Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with guiding professional pronouncements, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the MAT credit entitlement at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent that there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

**q) Employee stock compensation cost**

In accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share based Payments issued by the Institute of Chartered Accountants of India, the company calculates the compensation cost of equity-settled transactions based on the intrinsic value method wherein the excess of the market price of the underlying equity shares on the date of the grant of the options over the exercise price of the options given to the employees under the employee stock option schemes of the company, is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**r) Earnings per share**

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

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

**s) Provisions**

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

**t) Contingent liabilities**

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

**u) Cash and cash equivalents**

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

**2. Acquisitions / Arrangements in the current period****Trygstad Technical Services Inc.**

In August 2015, the Company through a subsidiary acquired certain business of Trygstad Technical Services Inc., a US based service provider of IT consulting services and solutions.

The total purchase price for the acquisition was ₹ 65.43 crores out of which ₹ 45.55 crores has been paid. The balance ₹ 19.88 crores is payable within one year from the closing date and is contingent upon achieving of certain specified performance obligations as set out in the agreement. The purchase consideration of ₹ 65.43 crores has been allocated to net assets of ₹ 0.16 crores based on their fair value, with the residual ₹ 65.27 crores allocated to goodwill. The resultant goodwill has been allocated to the software segment.

**Concept to Silicon Systems (C2SiS)**

In October 2015, the Company through a subsidiary acquired a Bengaluru-based engineering services firm, Concept to Silicon Systems (C2SiS).

Purchase consideration payable for the acquisition was ₹ 12.48 crores out of which ₹ 11.70 crores has been paid and ₹ 0.78 crores is payable at March 31, 2016. The purchase consideration of ₹ 12.48 crores has been allocated to net assets of ₹ 3.33 crores based on their fair value, with the residual ₹ 9.15 crores allocated to goodwill. The resultant goodwill has been allocated to the software segment.

In addition to the purchase consideration, ₹ 7.00 crores is payable to selling shareholder in tranches over a two year period. Payment of this amount is contingent upon achieving certain specified targets and the selling shareholder continuing to be the employee of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

**Powerteam LLC**

In October 2015, the Company through a subsidiary acquired Minneapolis-based Power team LLC - a North American professional services firm providing service, support, education and add-ons for Microsoft Dynamics CRM.

Total Purchase price for the acquisition was ₹ 266.23 crores out of which ₹ 183.89 crores has been paid and ₹ 0.71 crores is payable at March 31, 2016. The balance of ₹ 81.63 crores is payable in tranches over a three year period ending June 2018 and is contingent upon achieving certain specified performance obligations as set out in the agreement.

The purchase consideration of ₹ 266.23 crores has been allocated to net assets of ₹ 23.88 crores based on their fair value, with the residual ₹ 242.35 crores allocated to goodwill. The resultant goodwill has been allocated to the software segment.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

In addition to the purchase consideration, ₹ 33.13 crores which is currently held in escrow account, is payable to the selling shareholders in tranches over two year period. Payment of this amount is contingent upon the selling shareholders continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

**Formation of Joint Venture with CSC**

In November 2015, the Group entered into a joint venture arrangement with Computer Science Corporation (CSC) to operate and expand the existing Core Banking business of CSC. Under the joint venture arrangement, two entities, Celeritifintech Limited and Celeritifintech Services Limited have been formed, where Celeritifintech Limited would be focusing on account management and delivery governance and Celeritifintech Services Limited would be focusing on service delivery and product development.

The Group owns 51% interest in Celeritifintech Limited and is obligated to contribute ₹ 212.38 crores over a period of two years. As at March 31, 2016, the Group has contributed ₹ 22.80 crores in cash. CSC has contributed to the Group, the right to exploit and sub license its core banking, cards, payments and default management solutions and its existing business and customers in exchange for 49% interest. The fair value of CSC's contribution has been preliminarily allocated to intangible assets of ₹ 142.69 crores, with the residual ₹ 61.34 crores accounted for as goodwill. The resultant goodwill has been allocated to the software segment.

Pursuant to AS 21 on "Consolidated Financial Statements", as the Group has the majority shareholding in Celeritifintech Limited, is consolidating this entity in its Group accounts.

The Group owns a 49% interest in Celeritifintech Services Limited and is obligated to contribute ₹ 140.04 crores over a period of two years. As at March 31, 2016, the Group has contributed ₹ 13.66 crores in cash. CSC has contributed to the Group, the right to exploit and sub license its core banking, cards, payments and default management solutions, and its existing business and customers in exchange for a 51% interest.

Pursuant to AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements", the investment in Celeritifintech Services Limited is accounted for by the equity investment method as the Group has the ability to exercise significant influence over this entity.

**Point to Point (P2P)**

In January 2016, the Company through a subsidiary has acquired Point to Point Limited and Point to Point Products Limited (jointly referred as Point to Point or P2P), in UK.

The Group has acquired 100% of the shares of P2P for a total purchase consideration of ₹ 66.48 crores out of which ₹ 58.12 crores has been paid and ₹ 8.36 crores is payable as at March 31, 2016.

The purchase consideration of ₹ 66.48 crores has been allocated to tangible assets of ₹ 11.41 crores based on their fair value, with the residual ₹ 55.07 crores allocated to goodwill. The resultant goodwill has been allocated to the Infrastructure Services segment.

In addition to the purchase consideration, ₹ 18.29 crores is payable over two years from the closing date, of which amount ₹ 8.74 crores payable after one year is currently held in escrow and is contingent upon the selling shareholders and certain key employees continuing to be the employees of the subsidiary on the payment date. This consideration is being accounted for as post acquisition employee compensation expense.

**HCL Training and Staffing Services Private Limited (HCLTSS)**

In February 2016, the Company acquired HCLTSS for a total purchase consideration of ₹ 2.35 crores. Purchase consideration of ₹ 2.35 crores has been allocated to net liabilities of ₹ 2.24 crores with the residual ₹ 4.59 crores allocated to goodwill. The resultant goodwill has been allocated to the Infrastructure Services segment.

**IT Division of Volvo**

On March 31, 2016, the Group has acquired the IT divisions of Volvo IT AB ("Volvo IT"), a subsidiary of AB Volvo, the holding company of the Volvo Group, providing IT services to the Volvo group as well as non- Volvo group customers.

Total purchase price for the acquisition was ₹ 895.52 crores which has been paid on 31st March 2016. The purchase consideration of ₹ 895.52 crores has been allocated to tangible assets of ₹ 226.99 crores based on their fair value, with the residual ₹ 668.53 crores allocated to goodwill. The resultant goodwill has been allocated to the Infrastructure Services segment.

As per shareholders agreement, certain items of working capital including employee obligations, unbilled revenue etc. will also be transferred to the Group. All these along with certain leases that have not yet been novated to the Group are not part of the purchase consideration. These are likely to be finalized within 45 days of close of deal.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3. Notes to consolidated financial statements**
**3.1 Share Capital**

	As at	
	31 March 2016	30 June 2015
<b>Authorized</b>		
1,500,000,000 (Previous year 1,500,000,000) equity shares of ₹ 2 each	300.00	300.00
<b>Issued, subscribed and fully paid up</b>		
1,410,381,314 (Previous year 1,405,978,418) equity shares ₹ 2 each	282.08	281.20

**Terms/ rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

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

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year**

	As at			
	31 March 2016		30 June 2015	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Number of shares at the beginning	1,405,978,418	281.20	699,976,381	140.00
Add: Shares issued on exercise of employee stock options	4,402,896	0.88	3,154,076	0.63
Add: Bonus shares issued	-	-	702,847,961	140.57
Number of shares at the end	1,410,381,314	282.08	1,405,978,418	281.20

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 2016		30 June 2015	
	No. of shares	% holding in the class	No. of shares	% holding in the class
<b>Equity shares of ₹ 2 each fully paid</b>				
Vama Sundari Investments (Delhi) Private Limited	600,097,024	42.55%	600,097,024	42.68%
HCL Holdings Private Limited	239,097,816	16.95%	239,097,816	17.01%

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 2016	30 June 2015
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	10,125 Equity Shares	10,125 Equity Shares
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	702,847,961 Equity Shares	702,847,961 Equity Shares
Aggregate number and class of shares bought back	Nil	Nil

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

During the previous year ended 30 June 2015, pursuant to approval of the shareholders through postal ballot on March 10, 2015, a sum of ₹ 140.57 was capitalized from securities premium account for issuance of 702,847,961 bonus shares of ₹ 2/- each fully paid-up and these bonus shares were allotted by the Company on 21 March, 2015. The said bonus shares were issued in the proportion of 1 equity share for every 1 equity share of ₹ 2/- each held by the equity shareholders of the Company on the record date of 20 March, 2015.

**Employee Stock Option Plan (ESOP)**

The Company has provided various share-based payment schemes to its employees. During the year ended 31 March 2016, the following schemes were 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

During the year ended 30 June 2015, the following schemes were in operation:

	ESOP 1999	ESOP 2000	ESOP 2004
Maximum number of options under the plan	20,000,000	15,000,000	20,000,000
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period (Maximum)	110 months	104 months	96 months
Exercise Period from the date of vesting (maximum)	5 years	5 years	5 years
Vesting Conditions	Service Period	Service Period	Service period/ Group performance

Each option granted under the above plans entitles the holder to eight equity shares (four equity shares prior to 1:1 bonus issue) of the Company at an exercise price, which is approved by the Nomination and Remuneration Committee.

The details of activity under various plans have been summarized below:-

ESOP 1999	Year ended			
	31 March 2016		30 June 2015	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	125,823	722.45
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(101,849)	641.68
Expired during the year	-	-	(23,974)	645.51
Options outstanding at the end of the year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average option price at the date of exercise for stock options exercised during the previous year was ₹ 6,419.36.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

ESOP 2000	Year ended			
	31 March 2016		30 June 2015	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	210,241	642.84
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(167,144)	636.82
Expired during the year	-	-	(43,097)	665.07
Options outstanding at the end of the year	-	-	-	-
Options exercisable at the end of the year	-	-	-	-

The weighted average option price at the date of exercise for stock options exercised during the previous year was ₹ 6,430.37.

ESOP 2004	Year ended			
	31 March 2016		30 June 2015	
	No of options	Weighted average exercise price (₹)	No of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,027,279	16.00	1,728,849	11.69
Add: Granted during the year	-	-	-	-
Less: Forfeited during the year	(15,570)	16.00	(204,366)	13.11
Exercised during the year	(550,362)	16.00	(484,214)	18.71
Expired during the year	(1,200)	16.00	(12,990)	122.48
Options outstanding at the end of the year *	<b>460,147</b>	<b>16.00</b>	<b>1,027,279</b>	<b>16.00</b>
Options exercisable at the end of the year	<b>300,337</b>		<b>200,397</b>	

The weighted average option price at the date of exercise for stock options exercised during the year was ₹ 6,865.47 (previous year ₹ 6,694.63)

\* Total number of outstanding options includes 421,590 performance based options as on 31 March 2016 (837,785 as on 30 June 2015). These options will vest to the employees of the Group based on the achievement of certain targets by the Group.

The details of exercise price for stock options outstanding at the end of the year 31 March 2016 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
<b>Employee Stock Option Plan -2004</b>	₹ 16	460,147	3.14	16.00

The details of exercise price for stock options outstanding at the end of the year 30 June 2015 are:

Name of the Plan	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
<b>Employee Stock Option Plan -2004</b>	₹16	1,027,279	3.93	16.00

There are no options granted during the current year and previous year.



**Notes to consolidated financial statements for the year ended 31 March 2016**

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

The Company has calculated the compensation cost based on the intrinsic value method i.e. the excess of market price of underlying equity shares on the date of the grant of options over the exercise price of the options granted to employees under the employee stock option schemes of the Company. The amount is recognized as deferred stock compensation cost and is amortized on a graded vesting basis over the vesting period of the options. Had the Company applied the fair value method for determining compensation cost, the impact on net income and earnings per share would be as under:

	Year ended	
	31 March 2016	30 June 2015
<b>Net income- As reported</b>	<b>5,643.04</b>	<b>7,317.07</b>
Add: Employee stock compensation under intrinsic value method	4.87	(15.39)
Less: Employee stock compensation under fair value method	4.57	(7.71)
<b>Net income - Proforma</b>	<b>5,643.34</b>	<b>7,309.39</b>
<b>Earnings per share (₹) refer note 3.27</b>		
Basic - As reported	40.08	52.09
- Proforma	40.08	52.03
Diluted - As reported	39.98	51.79
- Proforma	39.98	51.73

**3.2 Reserves and Surplus**

	As at	
	31 March 2016	30 June 2015
<b>Capital redemption reserve</b>		
Balance as per last financial statements	45.00	45.00
Add: movement during the year	-	-
	<b>45.00</b>	<b>45.00</b>
<b>Securities premium account</b>		
Balance as per last financial statements	1,881.21	1,933.97
Add: Exercise of stock option by employees	81.80	87.81
Less: Amount utilized for issuance of fully paid up bonus shares (refer note 3.1)	-	(140.57)
	<b>1,963.01</b>	<b>1,881.21</b>
<b>Debenture redemption reserve</b>		
Balance as per last financial statements	-	500.00
Less: amount transferred to surplus in the statement of profit and loss on redemption of debentures	-	(500.00)
	-	-
<b>Share options outstanding</b>		
Balance as per last financial statements	121.18	206.92
Add: Options granted during the year	-	-

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.2 Reserves and Surplus (Contd...)**

	As at	
	31 March 2016	30 June 2015
Less: Transferred to security premium on exercise of stock options	(76.92)	(85.74)
	<b>44.26</b>	<b>121.18</b>
<b>Hedging reserve account</b> (net of deferred tax) (refer note 3.33)		
Balance as per last financial statements	(40.68)	(210.28)
Add: Movement during the year (net)	48.77	169.60
	<b>8.09</b>	<b>(40.68)</b>
<b>Foreign currency translation reserve</b>		
Balance as per last financial statements	1,434.08	1,416.38
Add: Exchange difference during the year on net investment in non-integral operations	69.74	17.70
	<b>1,503.82</b>	<b>1,434.08</b>
<b>General reserve</b>		
Balance as per last financial statements	2,859.15	2,209.15
Add: amount transferred from surplus in the statement of profit and loss	-	650.00
	<b>2,859.15</b>	<b>2,859.15</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	17,643.25	13,301.04
Add: Profit for the year	5,643.04	7,317.07
Add: Transfer from debenture redemption reserve on redemption of debentures	-	500.00
Amount available for appropriation	<b>23,286.29</b>	<b>21,118.11</b>
<b>Less: Appropriations</b>		
Interim dividend [amount per share ₹ 16 (Previous year ₹30)]	2,251.74	2,385.59
Corporate dividend tax	445.85	439.27
Transfer to general reserve	-	650.00
<b>Net surplus in the statement of profit and loss</b>	<b>20,588.70</b>	<b>17,643.25</b>
	<b>27,012.03</b>	<b>23,943.19</b>

**3.3 Share application money pending allotment**

	31 March 2016	30 June 2015
- number of shares proposed to be issued (adjusted for bonus shares issued)	226,560	84,680
- the amount of premium	Nil	Nil
- whether the Company has sufficient authorized share capital to cover the share capital amount on allotment of shares out of share application money	Yes	Yes
- Interest accrued on amount due for refund	Nil	Nil

**Note-** The Company expects to make the allotment during the quarter ended 30 June 2016.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.4 Long term borrowings**

	Non-current portion		Current maturities	
	31 March 2016	30 June 2015	31 March 2016	30 June 2015
<b>(a) Secured</b>				
<b>From banks</b>				
Long term loans (refer note 1 below)	28.45	27.56	13.67	13.58
<b>From others</b>				
Finance lease obligations (refer note 2 below)	18.09	80.06	99.10	99.12
<b>(b) Unsecured</b>				
<b>From banks</b>				
Long term loans (refer note 3 and 4 below)	675.20	58.00	19.19	10.11
<b>From others</b>				
Others (refer note 5 below)	15.66	2.27	6.56	1.58
	<b>737.40</b>	<b>167.89</b>	<b>138.52</b>	<b>124.39</b>
<b>Amount disclosed under the head "other current liabilities" (note 3.8)</b>			<b>(138.52)</b>	<b>(124.39 )</b>
	<b>737.40</b>	<b>167.89</b>	<b>-</b>	<b>-</b>

**Notes:-**

- The Group has availed of term loans of ₹ 42.12 crores (previous year ₹ 41.14 crores) secured by hypothecation of vehicles of ₹ 96.13 crores (previous year ₹ 90.27 crores) at interest rates ranging from 9.75% to 10.50%. The loans are repayable over a period of 5 years from the date of borrowing on a monthly rest.
- The Finance lease obligations are secured against network equipment and vehicles acquired by group on finance lease at interest rates ranging from 0% to 4%.
- An unsecured long term loan of ₹ 19.19 crores (previous year ₹ 68.11 crores) from bank at interest rate of 2.95% is repayable at monthly rest till December 2016.
- An unsecured long term loan of ₹ 675.20 crores (SEK 825.91 million) (previous year ₹ Nil crores) borrowed by a subsidiary in Sweden from a bank at an interest rate of STIBOR + 1.15% (effective interest rate 0.71%) repayable over twenty quarterly instalments beginning from June 2017.
- The other long term loan of ₹ 22.22 crores (previous year ₹ 3.85 crores) represents a loan taken for purchase of plant and machinery at interest rates of 0%. The loans are repayable till September 2020 at quarterly/half yearly/yearly rest.

**3.5 Other long term liabilities**

	As at	
	31 March 2016	30 June 2015
Income received in advance	333.43	547.87
Unrealized loss on forward covers	17.91	37.74
Deferred consideration in respect of business acquisition (refer note 2)	59.64	-
Other liabilities	31.92	28.96
	<b>442.90</b>	<b>614.57</b>

**3.6 Long term provisions**

	As at	
	31 March 2016	30 June 2015
Provision for employee benefits		
Provision for gratuity (refer note 3.34)	226.08	203.97
Provision for other benefits	171.81	6.67
	<b>397.89</b>	<b>210.64</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.7 Short term borrowings**

	As at	
	31 March 2016	30 June 2015
<b>Unsecured</b>		
Bank overdraft (refer note 1 below)	185.49	323.47
Entrusted loan (refer note 3.37)	25.64	25.66
Other loans (refer note 2 below)	3.31	6.35
	<b>214.44</b>	<b>355.48</b>

**Notes:-**

- The Group has availed bank line of credit at interest rates ranging from 0.45% to 17.33% which is repayable on demand.
- Promissory note at effective interest rate of 4.10% repayable on April 20, 2016.

**3.8 Trade payable and other current liabilities**

	As at	
	31 March 2016	30 June 2015
Trade payables	694.23	624.63
Trade payables-related parties (refer note 3.29)	5.36	0.78
	<b>699.59</b>	<b>625.41</b>
<b>Other current liabilities</b>		
Current maturities of long term loans	138.52	124.39
Interest accrued but not due on borrowings	0.03	0.02
Unclaimed dividend	3.40	2.99
Advances received from customers	44.47	59.51
Advances received from customers-related parties (refer note 3.29)	2.41	2.41
Unrealized loss on forward cover	12.41	15.92
Capital accounts payables (includes supplier credit ₹ 366.39 crores, previous year ₹ 488.17 crores)	568.78	777.17
Capital accounts payables-related parties (includes supplier credit ₹ 3.60 crores, previous year ₹ 4.38 crores) (refer note 3.29)	3.61	6.87
Income received in advance	1,090.78	935.18
Income received in advance-related parties (refer note 3.29)	21.15	20.31
<b>Accrued salaries and benefits</b>		
Employee bonuses accrued	747.18	1,005.60
Other employee costs	506.69	479.94
<b>Other liabilities</b>		
Liabilities for expenses	2,583.90	2,348.35
Liabilities for expenses-related parties (refer note 3.29)	129.81	7.87
Deferred consideration in respect of business acquisition (refer note 2)	41.87	-
Supplier credit	1,059.42	1,041.28
Supplier credit-related parties (refer note 3.29)	13.17	9.54
Withholding and other taxes payable	459.16	390.42
Book Overdraft	15.17	2.85
	<b>7,441.93</b>	<b>7,230.62</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.9 Short term provisions**

	As at	
	31 March 2016	30 June 2015
Provision for employee benefits		
Provision for gratuity (refer note 3.34)	49.65	49.19
Provision for leave benefits	638.84	591.73
Provision for other benefits	9.11	19.97
Provision for warranties	-	1.23
Income taxes (refer note 1 below)	1,106.02	1,069.64
Wealth tax (refer note 2 below)	0.10	1.78
	<b>1,803.72</b>	<b>1733.54</b>

**Notes:**

1. Net of advance income tax of ₹ 7124.52 crores (previous year ₹ 5,723.32 crores)
2. Net of advance wealth tax of ₹ 9.29 crores (previous year ₹ 7.95 crores)

**Note 3.10 Fixed Assets (refer note 1(d), (e), (f))**
**The changes in the carrying value of fixed assets for the year ended 31 March 2016**

	Gross block						Accumulated depreciation / amortization						Net block		
	As at 1 July 2015	Additions	Additions on Acquisition	Deletions/ Adjustments	Translation exchange differences	As at 31 March 2016	As at 1 July 2015	Charge for the year	Additions on Acquisition	Deletions/ Adjustments	Translation exchange differences	As at 31 March 2016	As at 31 March 2016	As at 30 June 2015	
<b>Tangible assets</b>															
Freehold land	87.12	-	-	32.28	0.27	55.11	-	-	-	-	-	-	55.11	87.12	
Leasehold land	272.69	1.72	-	-	-	274.41	14.62	2.26	-	-	-	16.88	257.53	258.07	
Buildings	2,123.83	77.21	-	17.83	1.30	2,184.51	352.38	81.26	-	12.97	(0.15)	420.52	1,763.99	1,771.45	
Plant and machinery	1,266.96	78.82	61.21	39.66	2.69	1,370.02	717.83	60.79	5.94	33.62	0.79	751.73	618.29	549.13	
Office Equipment	241.80	23.14	0.66	13.88	0.70	252.42	189.96	15.38	-	11.59	0.36	194.11	58.31	51.84	
Computers	1,884.27	318.63	178.74	154.52	10.06	2,237.18	1,413.09	140.44	0.20	149.29	5.32	1,409.76	827.42	471.18	
Furniture and fittings	690.72	47.42	6.30	66.93	0.59	678.10	528.60	26.77	0.44	59.15	(0.07)	496.59	181.51	162.12	
Vehicles - owned	98.45	20.61	0.49	14.59	-	104.96	45.75	15.32	0.02	10.53	-	50.56	54.40	52.70	
- leased	0.51	-	-	0.19	-	0.32	0.43	-	-	0.16	-	0.27	0.05	0.08	
<b>Total (A)</b>	<b>6,666.35</b>	<b>567.55</b>	<b>247.40</b>	<b>339.88</b>	<b>15.61</b>	<b>7,157.03</b>	<b>3,262.66</b>	<b>342.22</b>	<b>6.60</b>	<b>277.31</b>	<b>6.25</b>	<b>3,340.42</b>	<b>3,816.61</b>	<b>3,403.69</b>	
<b>Intangible assets</b>															
Goodwill	4,955.68	61.34	1,044.96	-	23.94	6,085.92	162.42	-	-	-	1.96	164.38	5,921.54	4,793.26	
Software	702.55	46.54	1.00	7.76	2.01	744.34	631.60	48.58	-	6.97	1.56	674.77	69.57	70.95	
Intellectual property rights	18.82	142.69	0.05	-	0.09	161.65	11.45	2.15	-	-	0.41	14.01	147.64	7.37	
<b>Total (B)</b>	<b>5,677.05</b>	<b>250.57</b>	<b>1,046.01</b>	<b>7.76</b>	<b>26.04</b>	<b>6,991.91</b>	<b>805.47</b>	<b>50.73</b>	<b>-</b>	<b>6.97</b>	<b>3.93</b>	<b>853.16</b>	<b>6,138.75</b>	<b>4,871.58</b>	
<b>Total (A)+(B)</b>	<b>12,343.40</b>	<b>818.12</b>	<b>1,293.41</b>	<b>347.64</b>	<b>41.65</b>	<b>14,148.94</b>	<b>4,068.13</b>	<b>392.95</b>	<b>6.60</b>	<b>284.28</b>	<b>10.18</b>	<b>4,193.58</b>	<b>9,955.36</b>	<b>8,275.27</b>	

**Notes:-**

1. Capital work in progress includes ₹ 38.78 crores interest on negotiated extended interest bearing suppliers credit and during the year ₹ 12.00 crores have been capitalised by the Company.
2. Deletion includes project assets at written down value of ₹ 20.61 crores given on lease to customers which has been transferred as per contract terms.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**Note 3.10 Fixed Assets (refer note 1(d), (e), (f))**
**The changes in the carrying value of fixed assets for the year ended 30 June 2015**

	Gross block						Accumulated depreciation / amortization						Net block		
	As at 1 July 2014	Additions	Additions on Acquisition	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2015	As at 1 July 2014	Charge for the year	Additions on Acquisition	Deletions/ Adjustments	Translation exchange differences	As at 30 June 2015	As at 30 June 2015	As at 30 June 2014	
<b>Tangible assets</b>															
Freehold land	87.04	-	-	0.27	0.35	87.12	-	-	-	-	-	-	87.12	87.04	
Leasehold land	164.72	119.57	-	11.60	-	272.69	13.89	2.70	-	1.97	-	14.62	258.07	150.83	
Buildings	1,810.69	361.54	-	51.68	3.28	2,123.83	285.91	96.75	-	30.90	0.62	352.38	1,771.45	1,524.78	
Plant and machinery	1,137.77	209.24	-	82.13	2.08	1,266.96	737.19	61.79	-	82.01	0.86	717.83	549.13	400.58	
Office Equipment	221.09	27.43	-	5.44	(1.28)	241.80	181.15	15.46	-	5.39	(1.26)	189.96	51.84	39.94	
Computers	1,597.76	308.42	-	14.58	(7.33)	1,884.27	1,315.77	114.85	-	14.57	(2.96)	1,413.09	471.18	281.99	
Furniture and fittings	652.58	68.22	-	24.86	(5.22)	690.72	531.45	26.37	-	24.82	(4.40)	528.60	162.12	121.13	
Vehicles - owned	86.47	23.94	-	11.96	-	98.45	35.80	17.26	-	7.32	0.01	45.75	52.70	50.67	
- leased	2.51	-	-	2.00	-	0.51	1.95	0.07	-	1.59	-	0.43	0.08	0.56	
<b>Total (A)</b>	<b>5,760.63</b>	<b>1,118.36</b>	<b>-</b>	<b>204.52</b>	<b>(8.12)</b>	<b>6,666.35</b>	<b>3,103.11</b>	<b>335.25</b>	<b>-</b>	<b>168.57</b>	<b>(7.13)</b>	<b>3,262.66</b>	<b>3,403.69</b>	<b>2,657.52</b>	
<b>Intangible assets</b>															
Goodwill	4,852.40	-	-	-	103.28	4,955.68	158.65	-	-	-	3.77	162.42	4,793.26	4,693.75	
Software	741.33	61.97	-	102.99	2.24	702.55	657.55	67.19	-	95.07	1.93	631.60	70.95	83.78	
Intellectual property rights	19.48	-	-	-	(0.66)	18.82	10.59	1.31	-	-	(0.45)	11.45	7.37	8.89	
<b>Total (B)</b>	<b>5,613.21</b>	<b>61.97</b>	<b>-</b>	<b>102.99</b>	<b>104.86</b>	<b>5,677.05</b>	<b>826.79</b>	<b>68.50</b>	<b>-</b>	<b>95.07</b>	<b>5.25</b>	<b>805.47</b>	<b>4,871.58</b>	<b>4,786.42</b>	
<b>Total (A)+(B)</b>	<b>11,373.84</b>	<b>1,180.33</b>	<b>-</b>	<b>307.51</b>	<b>96.74</b>	<b>12,343.40</b>	<b>3,929.90</b>	<b>403.75</b>	<b>-</b>	<b>263.64</b>	<b>(1.88)</b>	<b>4,068.13</b>	<b>8,275.27</b>	<b>7,443.94</b>	

**Notes:-**

- Gross block, additions and deletion to fixed assets include ₹ Nil crores, ₹ 0.63 crores and ₹ 17.03 crores respectively and accumulated depreciation and charge for the year of ₹ Nil crores and ₹ 1.76 crores respectively in respect of the Company's share of fixed assets on account of proportionate consolidation of joint ventures.(refer note 3.35)
- Capital work in progress includes ₹ 37.52 crores interest on negotiated extended interest bearing suppliers credit and during the year ₹ 25.51 crores have been capitalised by the Company.

**3.11 Investments**

	As at	
	31 March 2016	30 June 2015
<b>Non-current investments- at cost</b>		
<b>Investment in Associates (Trade and unquoted)</b>		
10,000,000 equity shares (previous year 10,000,000 equity shares) of \$1 each in Statstreet HCL Holding UK Limited	157.73	96.94
14,819,900 equity shares (previous year Nil equity shares) of GBP 1 each in CeleritiFintech Services Limited	147.22	-

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.11 Investments (Contd...)**

	As at	
	31 March 2016	30 June 2015
<b>Other Investments</b>		
Morado Venture Partners II, L.P.	14.26	10.18
Add/Less: Share of profit/(loss) in limited liability partnership	1.32	(0.31)
	<b>15.58</b>	<b>9.87</b>
<b>Aggregate amount of non- current investments</b>	<b>320.53</b>	<b>106.81</b>
<b>Current investments</b>		
<b>(Non trade and unquoted)</b>		
Investment in mutual funds (refer note 1 below)	534.74	762.58
<b>Aggregate amount of current investments</b>	<b>534.74</b>	<b>762.58</b>

**Note:-**

1. Details of current investments in mutual funds (non trade and unquoted)

	Face Value	Balance as at 31 March 2016		Balance as at 30 June 2015	
		Units	Amount	Units	Amount
<b>Growth Fund</b>					
ICICI Prudential Liquid Super Inst Plan	100	4,471,074	100.00	7,014,913	146.93
Birla Sunlife Cash Plus-Growth	100	-	-	4,936,936	111.33
TATA Liquid Fund-Plan A	1,000	693,395	193.20	442,364	115.59
HDFC Liquid Fund	10	-	-	51,918,756	146.06
SBI Premier Liquid Fund Super IP	1,000	-	-	546,129	122.33
UTI Liquid Fund-Cash Plan	1,000	-	-	518,687	120.34
Kotak Liquid fund Plan A Growth	1,000	294,044	89.92	-	-
DSP BlackRock Liquidity Fund-IP-Growth	1,000	243,176	52.50	-	-
HDFC Liquid Fund Direct Plan Growth	1,000	84,386	24.68	-	-
HDFC Liquid Fund-Growth	1,000	250,992	74.44	-	-
<b>Total</b>			<b>534.74</b>		<b>762.58</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.12 Deferred tax assets (net)**

	As at	
	31 March 2016	30 June 2015
<b>Deferred tax assets:</b>		
Business losses *	58.24	42.71
Provision for doubtful debts	119.52	96.01
Accrued employee costs	449.51	403.87
Unrealized loss on derivative financial instruments	-	9.71
Depreciation and amortization	25.05	46.56
Employee stock compensation	10.09	21.62
Others	229.33	214.62
<b>Gross deferred tax assets (A)</b>	<b>891.74</b>	<b>835.10</b>
<b>Deferred tax liabilities:</b>		
Depreciation and amortization	30.21	8.51
Unrealized gain on derivative financial instruments	1.89	-
Others	33.90	36.88
<b>Gross deferred tax liabilities (B)</b>	<b>66.00</b>	<b>45.39</b>
<b>Net deferred tax assets (A-B)</b>	<b>825.74</b>	<b>789.71</b>

\*The Group's subsidiaries have recognized deferred tax assets on such portion of the carry forward business losses which can be utilized against profits within the limit and carryover period permitted under laws of respective jurisdictions.

**3.13 Long term loans and advances**

	As at	
	31 March 2016	30 June 2015
<b>Unsecured, considered good</b>		
Capital advances	142.67	114.27
Capital advances-related parties (refer note 3.29)	1.00	-
Security deposits	158.47	168.95
Others		
MAT credit entitlement	954.49	772.46
Prepaid expenses	122.23	87.82
Prepaid expenses- related parties (refer note 3.29)	0.05	0.05
Loans and advances to employees (including related party, refer note 3.29)	15.00	15.01
Finance lease receivables (refer note 3.26 (iii))	331.59	279.99
Other loan & advances	20.33	3.64
	<b>1,745.83</b>	<b>1,442.19</b>



**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.14 Other non-current assets**

	As at	
	31 March 2016	30 June 2015
<b>Unsecured considered good unless otherwise stated</b>		
Deferred cost	760.33	758.00
Bank deposits more than 12 months (refer note below)	0.10	0.09
Unrealized gain on derivative financial instruments	13.11	0.61
Others	256.44	273.67
	<b>1,029.98</b>	<b>1,032.37</b>

**Note:** Pledged with banks as security for guarantees ₹ 0.10 crores (previous year ₹ 0.09 crores)

**3.15 Inventories**

	As at	
	31 March 2016	30 June 2015
<b>Inventories</b> (valued at lower of cost and net realisable value)		
Stock in trade [including in transit ₹ 0.58 crores (previous year ₹ 24.49 crores)]	264.48	155.73
Stores and spares	-	1.88
	<b>264.48</b>	<b>157.61</b>

**3.16 Trade receivables (Unsecured)**

	As at	
	31 March 2016	30 June 2015
<b>(a) Considered good unless stated otherwise, outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured considered good	411.24	294.05
Unsecured considered doubtful	358.98	277.73
	<b>770.22</b>	<b>571.78</b>
Provision for doubtful receivables	(358.98)	(277.73)
<b>Total (a)</b>	<b>411.24</b>	<b>294.05</b>
<b>(b) Other receivables</b>		
Unsecured considered good	7,270.58	6,244.64
Unsecured considered doubtful	16.18	4.91
	<b>7,286.76</b>	<b>6,249.55</b>
Provision for doubtful receivables	(16.18)	(4.91)
<b>Total (b)</b>	<b>7,270.58</b>	<b>6,244.64</b>
<b>Total (a)+(b) (refer note below)</b>	<b>7,681.82</b>	<b>6,538.69</b>

**Note:-** Includes receivables from related parties amounting to ₹ 20.54 crores (previous year ₹ 154.84 crores) (refer note 3.29)

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.17 Cash and bank balances**

	As at	
	31 March 2016	30 June 2015
(a) Cash and cash equivalent		
Balance with banks		
- in current accounts	548.43	1,139.81
- deposits with original maturity of less than 3 months	117.38	20.73
Cheques in hand	13.92	55.71
Remittances in transit	40.56	119.28
Unclaimed dividend account	3.40	2.99
	<b>723.69</b>	<b>1,338.52</b>
(b) Other bank balances		
Deposits with original maturity of more than 3 months but up to 12 months (refer note below)	8,561.76	8,447.71
	<b>9,285.45</b>	<b>9,786.23</b>

**Note:-** Pledged with banks as security for guarantees ₹ 0.22 crores (previous year ₹ 0.11 crores)

**3.18 Short-term loans and advances**

	As at	
	31 March 2016	30 June 2015
Unsecured, considered good		
Loans and advances to related parties (refer note 3.29)	5.16	2.96
Others		
Security deposits	101.61	48.75
Security deposits - related parties (refer note 3.29)	0.45	0.45
Inter corporate deposits with HDFC Limited	1,985.40	1,193.00
Advances to suppliers	45.51	49.67
Prepaid expenses	484.09	339.00
Prepaid expenses - related parties (refer note 3.29)	1.40	1.86
Loans and advances to employees	118.59	72.73
Finance lease receivables (refer note 3.26 (iii))	233.14	175.10
Service tax receivable	64.34	67.24
Entrusted loan receivable (refer note 3.37)	25.64	25.66
Other loans and advances	274.65	212.42
	<b>3,339.98</b>	<b>2,188.84</b>
Unsecured, considered doubtful		
Loans and advances to employees	40.47	49.01
Loans and advances to others	6.69	7.02
	<b>47.16</b>	<b>56.03</b>
Less: Provision for doubtful advances	(47.16)	(56.03)
	-	-
	<b>3,339.98</b>	<b>2,188.84</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.19 Other current assets**

	As at	
	31 March 2016	30 June 2015
Unbilled revenue (refer note below)	2,976.72	2,888.59
Unbilled revenue-related parties (refer note 3.29)	3.97	19.36
Deferred cost	526.18	515.79
Interest receivable	105.94	100.24
Advance tax (refundable)	87.66	68.50
Unrealized gain on derivative financial instruments	53.22	20.37
	<b>3,753.69</b>	<b>3,612.85</b>

**Note :** Net of provision for doubtful unbilled revenue of ₹ 112.75 crores (previous year Nil)

**3.20 Revenue from operations**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Sale of services	29,963.75	35,174.81
Sale of hardware and software	817.05	1,526.41
	<b>30,780.80</b>	<b>36,701.22</b>

**3.21 Other income**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Interest income		
- On fixed deposits	646.12	800.25
- On investment	-	2.05
- Others	2.55	11.90
Profit on sale of current investments	24.62	36.80
Provision no longer required written back (net)	-	24.88
Profit on sale of fixed assets (refer note below)	145.52	155.83
Share of profit in limited liability partnership	1.32	-
Exchange differences (net)	65.18	73.47
Employee stock compensation expense written back (net)	-	15.39
Miscellaneous income	10.13	18.89
	<b>895.44</b>	<b>1,139.46</b>

**Note:** Net of loss on sale of fixed assets is ₹ 0.56 crores (previous year ₹ 0.90 crores)

**3.22 Changes in inventories of traded goods**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Opening stock	155.73	120.08
Closing stock	264.48	155.73
	<b>(108.75)</b>	<b>(35.65)</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.23 Employee benefit expenses**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Salaries, wages and bonus	13,216.67	15,441.73
Contribution to provident fund and other employee funds	1,812.17	2,212.05
Staff welfare expenses	59.47	72.65
Employee stock compensation expense	4.87	-
	<b>15,093.18</b>	<b>17,726.43</b>

**3.24 Finance cost**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Interest		
- on debentures	-	8.56
- on loans from banks	7.63	9.01
- on leased assets	-	0.05
- others	54.72	52.69
Exchange differences to the extent considered as an adjustment to borrowing costs	-	3.58
Bank charges	11.46	17.34
	<b>73.81</b>	<b>91.23</b>

**3.25 Other expenses**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Rent	285.08	387.66
Power and fuel	207.14	264.88
Insurance	24.17	30.96
Repairs and maintenance		
- Plant and machinery	49.03	71.60
- Buildings	43.36	53.73
- Others	173.42	172.17
Communication costs	236.15	288.33
Books and periodicals	13.76	17.12
Travel and conveyance	1,243.26	1,676.91
Business promotion	40.01	56.18
Legal and professional charges	215.82	240.15
Outsourcing costs	4,875.98	5,096.64
Software license fee	169.68	180.59
Software tools	20.72	54.93
License and transponder fee	20.83	26.95
Printing and stationery	16.70	21.40

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.25 Other expenses (Contd...)**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Rates and taxes	132.30	128.24
Provision for doubtful advances/advances written off (net)	5.95	8.83
Donations	0.78	1.06
CSR Expenditure	13.48	6.22
Recruitment, training and development	136.59	204.18
Provision for doubtful debts/bad debts written off (net)	91.15	-
Share of loss in limited liability partnership	-	0.31
Loss on sale of long term investment in joint venture (refer note 3.35)	-	13.49
Miscellaneous expenses	428.02	228.95
	<b>8,443.38</b>	<b>9,231.48</b>

**3.26 Leases**
**i) Finance lease: In case of assets taken on lease**

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

	Total minimum lease payments outstanding as on 31 March 2016	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	100.95	1.85	99.10
	(102.50)	(3.38)	(99.12)
Later than one year and not later than 5 years	18.18	0.09	18.09
	(81.08)	(1.02)	(80.06)
	<b>119.13</b>	<b>1.94</b>	<b>117.19</b>
	<b>(183.58)</b>	<b>(4.40)</b>	<b>(179.18)</b>

Previous year figures are in brackets.

**ii) Operating lease**

The Group's significant leasing arrangements are in respect of operating leases for office spaces and accommodation for its employees. The aggregate lease rental expense recognized in the statement of profit and loss for the year (nine months) amounts to ₹ 282.34 crores [Previous year (twelve months) ₹ 359.79 crores]. The lease equalization reserve amount for non-cancellable operating lease payable in future years and accounted for by the Group is ₹ 118.19 crores (Previous year, ₹ 142.88 crores). Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

	Year ended	
	31 March 2016	30 June 2015
Not later than one year	342.24	357.23
Later than one year and not later than 5 years	845.31	988.63
Later than 5 years	417.20	711.93
	<b>1,604.75</b>	<b>2,057.79</b>

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

**iii) Finance Lease: In case of assets given on lease**

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 outstanding as on 31 March 2016	Interest included in minimum lease payments	Present value of minimum lease payments
Not later than one year	280.29	47.15	233.14
	(203.10)	(28.01)	(175.09)
Later than one year and not later than 5 years	363.88	35.71	328.17
	(291.02)	(32.41)	(258.61)
Later than 5 years	3.67	0.25	3.42
	(25.66)	(4.28)	(21.38)
	<b>647.84</b>	<b>83.11</b>	<b>564.73</b>
	<b>(519.78)</b>	<b>(64.70)</b>	<b>(455.08)</b>

Previous year figures are in brackets.

**3.27 Earnings Per Share**

The computation of earnings per share is as follows:

	Year Ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Net profit as per Statement of profit and loss for computation of EPS	5,643.04	7,317.07
Weighted average number of equity shares outstanding in calculating Basic EPS	1,407,845,713	1,404,808,456
Dilutive effect of stock options outstanding	3,672,800	8,142,875
Weighted average number of equity shares outstanding in calculating dilutive EPS	1,411,518,513	1,412,951,331
Nominal value of equity shares (in ₹)	2.00	2.00
Earnings per equity share (in ₹)		
- Basic	40.08	52.09
- Diluted	39.98	51.79

**3.28 Segment Reporting**
**Identification of segments**

The Group's operating businesses are organized and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services and is subject to risks and returns that are different from other strategic business units.

**(i) Business segments**

The Group's operations predominantly relate to providing a range of IT and Business process outsourcing (BPO) services targeted at Global 2000 companies spread across USA, Europe and the Rest of the World. IT Services include software services and IT infrastructure management services. Within software services, the Group provides application development and maintenance, enterprise application, next generation SAAS (Software As A Service) application services and engineering and research and development (R&D) services to several global customers. Infrastructure management services involve managing customers' IT assets effectively. Business process outsourcing services include the traditional contact centre and help desk services and next generation services around platform BPO and BPAAS (Business Process As A Service) delivered through a global delivery model.

The Chairman of the Group, who is the Chief Strategy Officer, evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by types of services provided by the Group and geographic segmentation of customers. Accordingly, revenue from service segments comprises the primary basis of segmental information set out in these financial statements.

**(ii) Geographic segments**

Segment revenue from customers by geographical areas is stated based on the geographical location of the customer and segment assets by the geographical location of the assets.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

The principal geographical segments are classified as America, Europe, India and Others. Europe comprises business operations conducted by the Group in the United Kingdom, Sweden, Germany, Italy, Belgium, Netherlands, Northern Ireland, Finland, Poland and Switzerland. Since services provided by the Group within these European entities are subject to similar risks and returns, their operating results have been reported as one segment, namely Europe. India has been identified as a separate segment. All other customers, mainly in Japan, Australia, New Zealand, Singapore, Malaysia, Israel, South Korea, China, Czech Republic, Macau, UAE, Portugal, Russia and Hong Kong are included in Others.

## (iii) Segment accounting policies

The accounting principles consistently used in the preparation of the financial statements and consistently applied to record revenue and expenditure in individual segments are as set out in note 1 to the financial statements on significant accounting policies. The accounting policies in relation to segment accounting are as under:

## a) Segment assets and liabilities

Assets and liabilities are not identified to any reportable segments, since these are increasingly used interchangeably across segments and consequently, the management believes that it is not practicable or meaningful to provide segment disclosures relating to total assets and liabilities.

## b) Segment revenue and expenses

Segment revenue is directly attributable to the segment and segment expenses have been allocated to various segments on the basis of specific identification. However, segment revenue does not include other income. Segment expenses do not include premium amortized on bonds, diminution allowance in respect of current and trade investments, other than temporary diminution in the value of long term investments and finance cost.

Financial information about the business segments for the year ended (nine months) 31 March 2016 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
<b>Segment revenues</b>	<b>18,234.37</b>	<b>1,472.68</b>	<b>11,073.75</b>	<b>30,780.80</b>
<b>Segment results</b>	<b>3,698.71</b>	<b>205.40</b>	<b>2,354.07</b>	<b>6,258.18</b>
Unallocated corporate expenses				(110.67)
Finance cost				(73.81)
Other income				246.77
Interest income				648.67
<b>Net profit before taxes</b>				<b>6,969.14</b>
Tax expense				(1,363.89)
Share of profit of associates				56.20
Minority Interest				(18.41)
<b>Net profit after taxes</b>				<b>5,643.04</b>
<b>Significant non-cash adjustments</b>				
Depreciation	216.99	30.71	143.00	390.70
Unallocated corporate depreciation	-	-	-	2.25
<b>Total</b>				<b>392.95</b>
Provision for doubtful debts & advances / Bad debts & advances written off				97.10

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Financial information about the business segments for the year ended (twelve months) 30 June 2015 is as follows:

	Software services	Business process outsourcing services	IT Infrastructure services	Total
<b>Segment revenues</b>	<b>22,179.16</b>	<b>1,697.47</b>	<b>12,824.59</b>	<b>36,701.22</b>
<b>Segment results</b>	<b>5,019.60</b>	<b>169.33</b>	<b>3,016.80</b>	<b>8,205.73</b>
Unallocated corporate expenses				(136.90)
Finance cost				(91.23)
Other income				325.26
Interest income				814.20
<b>Net profit before taxes</b>				<b>9,117.06</b>
Tax expense				(1,815.11)
Share of profit of associates				39.90
Minority interest				(24.78)
<b>Net profit after taxes</b>				<b>7,317.07</b>
Significant non-cash adjustments				
Depreciation	224.62	34.34	141.78	400.74
Unallocated corporate depreciation	-	-	-	3.01
<b>Total</b>				<b>403.75</b>
Provision for doubtful debts & advances / Bad debts & advances written off				(16.05)

Segment revenue from customers by geographic area based on location of the customers is as follows:

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
America	17,925.02	20,139.99
Europe	8,212.21	10,065.24
India	956.33	1,456.62
Others	3,687.24	5,039.37
<b>Total</b>	<b>30,780.80</b>	<b>36,701.22</b>

Carrying value of segment assets by geographic area based on geographic location of assets is as follows:

	Carrying amount of segment assets	
	31 March 2016	30 June 2015
America	8,163.91	6,704.81
Europe	10,003.36	8,592.14
India	18,722.31	17,777.93
Others	2,454.09	2,169.79
<b>Total</b>	<b>39,343.67</b>	<b>35,244.67</b>



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

Total Cost incurred during the year to acquire segment fixed assets (tangible and intangible) by geographical location of the assets is as follows :-

	Addition to segment fixed assets	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
America	100.50	62.34
Europe	84.40	67.25
India	654.40	1,061.11
Others	77.91	17.46
<b>Total</b>	<b>917.21</b>	<b>1,208.16</b>

**3.29 Related Parties**
**a) Related parties where control exists**
**Employee benefit trusts**

HCL Technologies Limited Employees Trust  
 Axon Group Plc Employee Benefit Trust No. 3  
 Axon Group Plc Employee Benefit Trust No. 4  
 HCL South Africa Share Ownership Trust  
 HCL Technologies Stock Options Trust

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

Statestreet HCL Services (India) Private Limited  
 Statestreet HCL Services(Phillipines) INC.

**Key Management Personnel**

Mr. Shiv Nadar - Chairman and Chief Strategy Officer  
 Mr. Anant Gupta - President and Chief Executive Officer  
 Mr. Anil Chanana - Chief Financial Officer  
 Mr. Manish Anand - Company Secretary

**Non-Executive & Non-Independent Directors**

Ms. Roshni Nadar Malhotra  
 Mr. Sudhindar Krishan Khanna

**Non-Executive & Independent Directors**

Mr. Amal Ganguli  
 Mr. Keki Mistry  
 Mr. Ramanathan Srinivasan  
 Ms. Robin Ann Abrams  
 Dr. Sosale Shankara Sastry  
 Mr. Subramanian Madhavan  
 Mr. Thomas Sieber (appointed w.e.f. 17 October 2015)

**Others (Significant influence)**

Vama Sundari Investments (Delhi) Private Limited  
 HCL Corporation Private Limited  
 HCL Infosystems Limited  
 HCL Learning Limited  
 Naksha Enterprises Private Limited  
 HCL Infotech Limited  
 Shiv Nadar Foundation  
 HCL Holding Private Limited  
 HCL Insys. Pte. Limited, Singapore

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Digilife Distribution and Marketing Services Limited  
 HCL Services Limited  
 HCL TalentCare Pvt. Ltd.  
 SSN Investments (Pondi) Private Limited  
 HCL Training and Staffing Services Pvt.Limited (ceased to be related party from 1st March 2016)  
 SSN Trust  
 KRN Education Private Limited

Transactions with related party during the normal course of business	Jointly controlled entities		Others (Significant influence)	
	Year ended		Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Sale of materials and services</b>	-	<b>8.86</b>	<b>24.20</b>	<b>172.81</b>
- HCL Infosystems Limited	-	-	3.01	16.65
- Axon Puerto Rico Inc.	-	8.86	-	-
- HCL Infotech Limited	-	-	-	131.68
- Statestreet HCL Services (India) Private Limited	-	-	16.12	15.23
- State Street HCL Services (Phillipines) Inc.	-	-	4.35	8.08
- Others	-	-	0.72	1.17
<b>Purchase of materials and services</b>	-	<b>12.22</b>	<b>22.84</b>	<b>63.83</b>
- HCL Infosystems Limited	-	-	6.09	14.88
- Axon Puerto Rico Inc.	-	12.22	-	-
- Redington (India) Limited	-	-	-	10.60
- HCL Services Limited	-	-	7.93	12.95
- Cadensworth (India) Limited, India	-	-	-	8.70
- Digilife Distribution and Marketing Services Limited	-	-	-	0.18
- HCL TalentCare Pvt. Ltd.	-	-	0.88	15.86
- HCL Training and Staffing Services Pvt.Limited	-	-	7.79	-
- Others	-	-	0.15	0.66
<b>Payment for use of facilities</b>	-	-	<b>11.29</b>	<b>17.04</b>
- HCL Infosystems Limited	-	-	1.33	3.31
- SSN Investments (Pondi) Private Limited	-	-	9.96	10.72
- HCL Corporation Private Limited	-	-	-	0.79
- Others	-	-	-	2.22
<b>Purchase of capital equipments</b>	-	-	<b>2.99</b>	<b>24.42</b>
- HCL Infosystems Limited	-	-	2.05	3.07
- Redington Distribution Pte Ltd, Singapore	-	-	-	18.31
- HCL Insys. Pte. Limited, Singapore	-	-	0.12	0.43
- Others	-	-	0.82	2.61

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

Transactions with related party during the normal course of business	Jointly controlled entities		Others (Significant influence)	
	Year ended		Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Dividend Paid</b>	-	-	<b>1,342.72</b>	<b>1,441.19</b>
- Vama Sundari Investments (Delhi) Private Limited	-	-	960.16	1,020.16
- HCL Holding Private Limited	-	-	382.56	406.47
- Shiv Nadar Foundation	-	-	-	14.56
<b>Others</b>	-	-	<b>5.56</b>	<b>154.73</b>
- SSN Investments (Pondi) Private Limited*	-	-	-	153.81
- Indian School of Business	-	-	-	0.30
- HCL Corporation Private Limited	-	-	0.92	-
- Vama Sundari Investments (Delhi) Private Limited#	-	-	2.35	-
- HCL Training and Staffing Services Pvt.Limited	-	-	1.87	-
- HCL South Africa Share Ownership Trust	-	-	0.40	0.62
- HCL Services Limited	-	-	0.02	-

\* Gain on sale of building

# Acquired entire equity share capital of "HCL Training and Staffing Services Pvt.Limited" (refer note 2)

Transactions with Key Managerial personnel during the year	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
<b>Chairman and Chief Strategy Officer</b>		
i) Remuneration	12.60	16.63
<b>Chief Executive Officer</b>		
i) Remuneration	38.19	28.66
ii) Loan provided	-	15.00
iii) Loan outstanding at end of the year	15.00	15.00
iv) Interest received by company on loan provided	1.25	0.72
v) Dividend paid	0.33	0.24
vi) Stock options		
- Exercised - No's (options)	25,600	-
- Exercise price - ₹	16	-
<b>Chief Financial Officer</b>		
i) Remuneration	4.65	9.72
ii) Dividend paid	0.25	0.21
iii) Stock options		
- Exercised - No's (options)	3,860	3,360
- Exercise price - ₹	16	8
<b>Company Secretary</b>		
i) Remuneration	0.54	0.54
ii) Dividend paid	0.02	0.01
iii) Stock options		
- Exercised - No's (options)	1,440	960
- Exercise price - ₹	16	8

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Transactions with Directors during the year	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Commission & other benefits to Directors (includes sitting fees)	5.28	6.62

**c) Outstanding balances**

	Others (Significant influence)	
	As at	
	31 March 2016	30 June 2015
<b>Trade receivables</b>	<b>20.54</b>	<b>154.84</b>
- HCL Infosystems Limited	13.03	3.62
- HCL Infotech Limited	-	146.94
- Statestreet HCL Services (India) Private Limited	6.52	3.54
- Others	0.99	0.74
<b>Capital Advance</b>	<b>1.00</b>	<b>-</b>
- HCL Infosystems Limited	1.00	-
<b>Unbilled Revenue</b>	<b>3.97</b>	<b>19.36</b>
- HCL Infosystems Limited	1.76	9.06
- State Street HCL Services (Phillipines) Inc.	-	7.35
- Statestreet HCL Services (India) Private Limited	2.21	2.51
- Others	-	0.44
<b>Loan and Advances</b>	<b>7.06</b>	<b>5.32</b>
- HCL Infosystems Limited	1.05	1.00
- HCL Corporation Private Limited	0.17	0.22
- State Street HCL Services (Phillipines) Inc.	1.69	1.60
- Statestreet HCL Services (India) Private Limited	2.83	0.42
- Others	1.32	2.08
<b>Capital Accounts Payable</b>	<b>3.61</b>	<b>6.87</b>
- HCL Infosystems Limited	3.60	6.62
- Others	0.01	0.25
<b>Supplier Credit</b>	<b>13.17</b>	<b>9.54</b>
- HCL Infosystems Limited	5.80	5.70
- Digilife Distribution and Marketing Services Limited	-	0.86
- HCL Services Limited	7.34	2.13
- Others	0.03	0.85
<b>Trade payables and other current liabilities</b>	<b>158.73</b>	<b>31.38</b>
- HCL Infosystems Limited	23.74	6.66
- HCL Infotech Limited	-	18.22
- State Street HCL Services (Phillipines) Inc.	-	0.01
- HCL Corporation Private Limited	5.04	-
- CeleritiFintech Services Limited *	126.38	-
- Statestreet HCL Services (India) Private Limited	1.36	-
- HCL TalentCare Pvt. Ltd.	1.54	5.15
- Others	0.67	1.34

\* Payable towards equity interest in affiliate

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

**3.30 Research and Development expenditure**

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Revenue	102.62	181.77
Capital	-	-
	<b>102.62</b>	<b>181.77</b>

**3.31 Commitments and Contingent liabilities**

	As at	
	31 March 2016	30 June 2015
<b>i) Capital and Other Commitments</b>		
<b>Capital commitments</b>		
Estimated amount of unexecuted capital contracts (net of advances)	362.90	582.70
<b>ii) Contingent Liabilities</b>		
Others	0.63	0.63
	<b>363.53</b>	<b>583.33</b>

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. Certain 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 of March 31, 2016.

The Company and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting transfer pricing studies to determine whether transactions with associate enterprises undertaken during the financial year, on an arm's length basis. Adjustments, if any, arising from the transfer pricing studies in the respective jurisdictions will be accounted for when the study is completed for the current financial year. The management is of the opinion that its transactions with associates are at arm's length so that the outcome of the studies to corroborate compliance with legislation will not have any material adverse impact on the financial statements.

**3.32 Transfer of financial assets**

The Group has revolving accounts receivables based facilities of ₹ 828.31 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 ended (nine months) 31 March 2016 and year ended (twelve months) 30 June 2015 was ₹ 173.62 crores and ₹ 196.19 crores, respectively. Gains or losses on sale are recorded at the time of transfer of these accounts receivables and are immaterial. The Group has retained servicing obligations, which are limited to collection activities related to the non-recourse sales of accounts receivables. The Group has immaterial outstanding service obligation.

The Group has sold finance lease receivables of ₹ 589.53 crores and ₹ 113.56 crores during the year ended June 30 2015 and during the year ended (nine months) March 31 2016, respectively on non-recourse basis. Gains or losses on sale are recorded at the time of transfer of these finance lease receivables and are immaterial. The Group has immaterial outstanding service obligation.

**3.33 Derivative Financial Instruments and Hedge Accounting**
**(a) Foreign currency forward and option contracts**

The Group is exposed to foreign currency fluctuations on foreign currency assets / liabilities and forecast cash flows denominated in foreign currency. The use of derivatives to hedge foreign currency forecast cash flows is governed by the Group's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Group's Risk Management Policy. The counterparty in these derivative instruments is a bank and the Group considers the risks of non-performance by the

**Notes to consolidated financial statements for the year ended 31 March 2016**

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counterparty as insignificant. The Group has entered into a series of foreign exchange forward contracts that are designated as cash flow hedges and the related forecasted transactions extend through April 2018. The Group does not use forward covers and currency options for speculative purposes.

The following table presents the aggregate contracted principal amounts of the Group's derivative contracts outstanding:

Self Cover	As at	
	31 March 2016	30 June 2015
Foreign Currency	Rupee Equivalent (₹ in Crores)	
USD / INR	1,823.94	3,173.97
GBP / INR	26.90	10.00
EURO / INR	15.07	88.97
CHF / INR	66.12	6.84
SEK / INR	88.29	11.59
AUD / INR	22.18	-
NOK / INR	29.62	-
EURO / USD	82.52	267.70
GBP / USD	-	110.05
NOK / USD	-	118.12
MXN / USD	26.98	26.77
JPY / USD	-	15.60
RUB / USD	9.90	21.18
AUD / USD	-	62.47
CHF / USD	2.55	75.55
ZAR / USD	50.39	63.46
SEK / USD	11.35	42.77
CNY / USD	107.71	-
	<b>2,363.52</b>	<b>4,095.04</b>

Buy Cover	As at	
	31 March 2016	30 June 2015
Foreign Currency	Rupee equivalent (₹ in Crores)	
JPY / USD	30.09	-
SEK / USD	-	13.13
CAD / USD	97.38	64.23
MYR / USD	44.17	26.99
GBP / USD	127.81	299.45
CHF / USD	6.89	34.19
DKK / USD	16.19	-
SGD / USD	4.93	20.80
	<b>327.46</b>	<b>458.79</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Options	As at	
	31 March 2016	30 June 2015
<b>Foreign Currency</b>	<b>Rupee equivalent (₹ in Crores)</b>	
<b>Put Options</b>		
USD / INR	159.04	12.73
<b>Range Forward</b>		
USD / INR	3,193.67	3,336.72
GBP / INR	352.68	543.77
EURO / INR	620.21	663.65
AUD / INR	132.34	67.51
CHF / INR	8.51	-
<b>Seagull</b>		
USD / INR	53.01	182.04
EURO / INR	30.14	30.61
<b>Total</b>	<b>4,549.60</b>	<b>4,837.03</b>

The following table summarizes the activity in the hedging reserves related to all derivatives classified as cash flow hedges during the years ended 31 March 2016 and 30 June 2015:

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
(Loss)/Gain as at the beginning of the year	(50.39)	(261.33)
Unrealized gain on cash flow hedging derivatives during the year	30.32	121.67
Net losses reclassified into net income on occurrence of hedged transactions	30.05	89.27
(Loss)/Gain as at the end of the year	9.98	(50.39)
Deferred tax	(1.89)	9.71
Hedging reserve account (net of deferred tax)	8.09	(40.68)

As of the Balance Sheet date, the Group's net foreign currency exposure that is not hedged is ₹ 2,697.26 crores (Previous year ₹ 1,145.66 crores).

The estimated net amount of existing gain that is expected to be reclassified into the income statement within the next twelve months is ₹ 18.16 crores (Previous year loss of ₹ 12.88 crores).

**3.34 Employee Benefit Plans**

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

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

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 2016 (Nine months)	30 June 2015 (Twelve months)
Superannuation Fund	1.23	1.78
Employer's contribution to Employees State Insurance	2.54	3.76
Employer's contribution to Employee's Pension Scheme	62.04	74.89
<b>Total</b>	<b>65.81</b>	<b>80.43</b>

The Group has contributed ₹ 241.56 crores (Previous year ₹ 266.12 crores) towards other foreign defined contribution plans.

**B. Defined Benefit Plans**

- a) Gratuity
- b) Employer's contribution to provident fund

**Gratuity**

The Company and its subsidiaries based in India have an unfunded defined benefit gratuity plan.

The following table sets out the status of the gratuity plan :

**Statement of profit and loss**

Net employee benefit expense (recognized in Employee Cost)

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Current Service cost	40.53	47.36
Interest cost on benefit obligation	16.97	20.92
Net Actuarial loss recognized in the year	(11.76)	(7.45)
Past Service cost	-	-
<b>Net benefit expense</b>	<b>45.74</b>	<b>60.83</b>

**Balance Sheet**

Details of provision for gratuity

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Defined benefit obligations	275.73	253.16
Fair value of plan assets	-	-
	<b>275.73</b>	<b>253.16</b>
Less: Unrecognized past service cost	-	-
<b>Plan liability</b>	<b>275.73</b>	<b>253.16</b>

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

	Year ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Opening defined benefit obligations	253.16	214.27
Current service cost	40.53	47.36
Interest cost	16.97	20.92
Actuarial loss on obligation	(11.76)	(7.45)
Benefits paid	(23.17)	(21.94)
<b>Closing defined benefit obligations</b>	<b>275.73</b>	<b>253.16</b>



**Notes to consolidated financial statements for the year ended 31 March 2016**

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

Changes in fair value of the plan assets are as follows:

	Year Ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Opening fair value of plan assets	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	-	-

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

	As at	
	31 March 2016	30 June 2015
Discount rate	7.85%	8.05%
Estimated Rate of salary increases	7.00%	7.00%
Employee Turnover	23.00%	23.00%
Expected rate of return on assets	N.A.	N.A.

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

The following table sets out the experience adjustment to plan liabilities as required by the applicable accounting standard:

	Year ended				
	31 March 2016	30 June 2015	30 June 2014	30 June 2013	30 June 2012
Defined benefit obligations	275.73	253.16	214.27	196.05	156.15
Plan assets	-	-	-	0.08	0.08
Experience adjustment to plan liabilities	(14.81)	(17.35)	(9.01)	(1.88)	8.92
Experience adjustment to plan assets	-	-	-	-	-

**Employer's Contribution to provident fund**

The actuary has provided a valuation and based on the assumptions mentioned below, there is no shortfall as at 31 March, 2016 and 30 June, 2015.

The details of the fund and plan asset position are given below:-

	31 March 2016	30 June 2015
Plan assets at the year end	2,159.37	1,927.82
Present value of benefit obligation at year end	2,159.37	1,927.82
<b>Asset recognized in balance sheet</b>	-	-

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

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

	31 March 2016	30 June 2015
Government of India (GOI) bond yield	9.44%	9.44%
Remaining term of maturity	8.43 years	7.83 years
Expected guaranteed interest rate	8.75%	8.75%

During the (nine months) year ended 31 March 2016, the Group has contributed ₹ 67.88 crores [previous year (twelve months), ₹ 85.80 crores] towards employer's contribution to the Provident Fund.

**3.35 Joint Venture**

In April 2015 a wholly owned subsidiary of the Company entered into an agreement with "APR Holdco Puerto Rico, Inc." with whom the subsidiary had a joint venture for the sale of its 49% stake in the Joint Venture at a gross consideration of \$ 1,600,000 (₹ 9.93 crores). The sale was completed on June 17, 2015.

Consequent to the above mentioned sale of its holding in Axon Puerto Rico Inc. to "APR Holdco Puerto Rico, Inc.", the Group recorded a loss of ₹ 13.49 crores, net of related expenses in the previous year ended 30 June 2015.

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Group in the above previously jointly controlled entity are given hereunder:

	Year Ended	
	31 March 2016 (Nine months)	30 June 2015 (Twelve months)
Revenue from operations	-	47.17
<b>Total revenue</b>	-	<b>47.17</b>
Employee benefit expense	-	44.60
Other expenses	-	10.88
Depreciation and amortization expense	-	1.76
<b>Total expenses</b>	-	<b>57.24</b>
<b>Profit before tax</b>	-	<b>(10.07)</b>
Provision for tax	-	0.83
<b>Net profit for the year</b>	-	<b>(10.90)</b>

**Notes to consolidated financial statements for the year ended 31 March 2016**

(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	Net Assets, i.e. total assets minus liabilities as at						Share in profit or loss for the year ended			
		31 March 2016		30 June 2015		31 March 2016 (Nine months)		30 June 2015 (Twelve months)			
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount
<b>Parent</b>	HCL Technologies Limited	57.07	15,753.38	59.54	14,471.72	82.29	4,658.75	85.14	6,250.96		
<b>Subsidiaries</b>											
	Indian										
1.	HCL Comnet Systems & Services Limited	0.14	39.24	0.15	36.22	0.08	4.72	0.19	14.24		
2.	HCL Comnet Limited	0.78	215.07	0.84	204.63	0.03	1.80	0.63	46.58		
3.	HCL Eagle Limited	0.05	13.42	0.04	8.60	0.07	3.70	0.02	1.38		
4.	HCL Global Processing Services Limited	0.08	22.78	0.16	37.78	(0.02)	(0.98)	0.04	3.21		
5.	HCL Technologies Solutions Limited	0.02	6.46	0.03	7.48	(0.03)	(1.57)	0.03	2.54		
6.	ConceptSilicon Systems Private Limited	0.05	13.81	-	-	(0.02)	(1.02)	-	-		
7.	HCL Training & Staffing Services Private Limited	-	1.03	-	-	0.02	0.86	-	-		
	Foreign										
1.	HCL Bermuda Limited	0.01	3.72	0.03	6.23	-	-	(0.32)	(23.52)		
2.	HCL Technologies (Shanghai) Limited	0.26	71.66	0.23	55.50	0.07	3.80	0.05	3.60		
3.	HCL Singapore Pte. Limited	0.63	173.49	0.53	128.42	1.76	99.92	1.98	145.47		
4.	HCL Great Britain Limited	1.47	405.64	2.02	491.42	1.33	75.09	1.38	101.59		
5.	HCL (Netherlands) BV	0.30	82.84	0.20	48.91	0.27	15.39	0.31	22.86		
6.	HCL Belgium NV	0.24	66.80	0.19	45.00	0.11	6.74	0.16	11.90		
7.	HCL Sweden AB	0.24	64.96	0.09	22.94	0.29	16.84	0.06	4.31		
8.	HCL GmbH	0.46	128.30	0.17	40.48	0.33	19.48	0.23	16.05		
9.	HCL Italy SRL	0.02	5.35	0.06	15.16	0.01	0.85	0.08	5.74		
10.	HCL Australia Services Pty. Limited	0.48	131.85	0.85	206.81	0.48	27.66	0.47	34.36		
11.	HCL (New Zealand) Limited	0.10	26.25	0.08	20.17	0.12	6.82	0.16	11.88		
12.	HCL Hong Kong SAR Limited	0.06	15.38	0.04	8.88	0.06	3.39	-	0.17		
13.	HCL Japan Limited	0.54	148.29	0.34	85.54	(0.23)	(13.01)	0.22	15.86		
14.	HCL America Inc.	11.34	3,131.53	9.75	2,369.29	4.83	273.21	3.76	275.71		
15.	HCL Technologies Austria GmbH	-	1.10	0.01	2.18	0.05	2.64	(0.07)	(5.40)		
16.	HCL BPO Services (NJ) Limited	0.06	17.46	0.09	21.47	1.70	96.13	0.06	4.05		
17.	HCL (Malaysia) Sdn. Bhd.	-	0.37	-	0.34	-	0.02	-	(0.01)		
18.	HCL Poland Sp.z.o.o	(0.18)	(48.96)	(0.19)	(44.02)	0.19	10.60	0.18	13.45		
19.	HCL EAS Limited	(0.31)	(84.38)	0.41	98.95	(1.01)	(57.43)	0.16	11.51		
20.	HCL Insurance BPO Services Limited	0.06	17.47	0.06	15.74	0.15	8.42	0.44	32.22		
21.	HCL Expense Management Services Inc.	0.53	145.28	0.57	139.02	0.08	4.51	0.01	0.61		
22.	Axon Group Limited	-	(0.17)	-	0.08	(0.01)	(0.54)	0.02	1.46		

**Notes to consolidated financial statements for the year ended 31 March 2016**

(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 (Contd...)**

S. No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at						Share in profit or loss for the year ended			
		31 March 2016		30 June 2015		31 March 2016 (Nine months)		30 June 2015 (Twelve months)			
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount
23.	HCL Axon Technologies Inc.	0.30	82.17	0.51	123.52	1.20	67.91	0.63	46.54		
24.	Bywater Limited	-	-	-	-	-	-	0.01	0.48		
25.	HCL Technologies Solutions GmbH	0.02	6.41	-	0.71	-	0.14	-	(0.34)		
26.	Axon Solutions Pty. Limited	(0.03)	(7.67)	(0.02)	(5.61)	0.01	0.82	0.08	6.03		
27.	Axon Solutions Inc.	9.79	2,701.93	10.68	2,598.96	0.42	24.04	0.16	12.09		
28.	Axon Solutions Limited	6.75	1,863.63	7.81	1,900.46	1.48	83.58	0.15	11.21		
29.	HCL Axon Malaysia Sdn. Bhd.	0.19	52.56	0.26	62.45	0.18	10.27	0.37	27.45		
30.	Axon Solutions Singapore Pte. Limited	0.01	2.13	0.01	3.62	0.02	1.15	0.01	0.75		
31.	Axon Solutions (Shanghai) Co. Limited	0.41	112.36	0.35	86.20	0.43	24.10	0.46	33.88		
32.	HCL Axon (Proprietary) Limited	1.03	285.16	1.04	251.91	1.12	63.22	1.08	79.02		
33.	HCL Argentina s.a.	0.01	3.01	0.01	1.60	(0.02)	(0.91)	-	0.25		
34.	HCL Mexico S. de R.L.	0.17	47.06	0.11	27.86	(0.11)	(6.27)	0.12	8.81		
35.	HCL Technologies Romania s.r.l.	-	1.18	-	0.59	-	0.51	-	(0.01)		
36.	HCL Hungary Kft	0.01	1.77	0.01	1.94	0.01	0.25	(0.01)	(0.71)		
37.	HCL Latin America Holding LLC	-	0.38	0.01	1.33	-	0.07	-	0.07		
38.	HCL (Brazil) Tecnologia da Informacao Ltda.	0.04	12.40	0.09	20.73	(0.10)	(5.48)	(0.01)	(0.81)		
39.	HCL Technologies Denmark Apps	0.18	48.69	0.14	32.84	0.10	5.43	0.07	5.42		
40.	HCL Technologies Norway AS	0.26	72.64	0.23	56.35	0.27	15.53	0.22	15.95		
41.	PT. HCL Technologies Indonesia Limited	0.06	15.98	0.05	12.33	0.02	1.12	(0.01)	(0.53)		
42.	HCL Technologies Philippines Inc.	0.04	10.36	0.04	10.73	0.19	10.54	0.45	33.40		
43.	HCL Technologies South Africa (Proprietary) Limited	0.06	15.54	-	(0.59)	0.02	0.87	0.05	3.39		
44.	HCL Arabia LLC	0.07	17.99	0.09	21.11	0.05	2.69	(0.02)	(1.33)		
45.	HCL Technologies France	0.83	228.45	0.73	176.36	0.14	8.19	0.16	11.76		
46.	Filial Espanola De HCL Technologies S.L	0.05	13.42	0.03	6.81	0.03	1.56	(0.02)	(1.13)		
47.	Anzospan Investments Pty Limited	-	(0.01)	-	0.08	-	(0.04)	-	(0.19)		
48.	HCL Investments (UK) Limited	-	0.17	-	0.12	-	(0.04)	-	(0.02)		
49.	HCL America Solutions Inc.	0.53	145.68	0.27	64.99	0.01	0.59	-	(0.14)		
50.	HCL Technologies Chile Spa	0.04	10.17	0.12	28.78	0.02	0.90	0.04	2.82		
51.	HCL Technologies UK Limited	0.78	215.72	0.67	162.90	0.46	25.91	0.16	12.01		
52.	HCL Technologies B.V.	0.01	1.53	-	0.11	0.03	1.58	-	0.16		
53.	HCL (Ireland) Information Systems Limited	-	(0.65)	0.01	1.57	0.06	3.49	-	0.05		
54.	HCL Technologies Germany GmbH	0.05	13.70	0.02	3.87	(0.02)	(1.25)	-	0.18		
55.	HCL Technologies Belgium N.V.	0.10	26.94	-	0.33	(0.04)	(2.30)	-	-		

**Notes to consolidated financial statements for the year ended 31 March 2016**

(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 (Contd...)**

S. No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at						Share in profit or loss for the year ended		
		31 March 2016		30 June 2015		31 March 2016 (Nine months)		30 June 2015 (Twelve months)		
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount	
56.	HCL Technologies Sweden AB	0.39 (0.01)	106.66 (1.49)	(0.01) (0.04)	(2.19) (9.06)	(0.39) (0.02)	(22.26) (1.18)	- 0.06	0.16 4.07	
57.	HCL Technologies Finland Oy									
58.	HCL Technologies Italy S.P.A	0.02	4.17	0.01	2.78	0.01	0.58	0.02	1.13	
59.	HCL Technologies Columbia S.A.S	0.01	3.02	-	(0.08)	0.01	0.22	-	(0.09)	
60.	HCL Technologies Middle East FZ-LLC	0.10	28.49	0.04	10.24	0.16	8.86	(0.02)	(1.55)	
61.	HCL Istanbul Bilişim Teknolojileri Limited Şirketi	0.02	4.77	0.02	4.27	0.03	1.98	-	(0.10)	
62.	HCL Technologies Greece Single Member P.C	0.02	5.16	-	0.48	-	0.03	-	0.01	
63.	HCL Technologies S.A.	0.01	3.25	0.01	3.22	(0.06)	(2.86)	-	0.03	
64.	HCL Technologies Beijing Co., Ltd	0.02	6.58	-	-	-	0.11	-	-	
65.	HCL Technologies Luxembourg S a r l	-	0.93	-	-	-	0.05	-	-	
66.	HCL-TEN Ventures, LLC	-	-	-	-	-	-	-	-	
67.	HCL Technologies Egypt Limited	0.01	1.70	-	-	-	-	-	(0.10)	
68.	HCL Technologies Estonia OU	-	1.08	-	-	(0.01)	(0.79)	-	-	
69.	HCL Technologies (Thailand) Ltd.	0.01	2.99	-	-	-	(0.06)	-	-	
70.	HCL Technologies Czech Republic s.r.o.	-	0.57	-	-	(0.03)	(1.65)	-	-	
71.	HCL Joint Venture Holding Inc.	-	-	-	-	-	-	-	-	
72.	HCL Muscat Technologies L.L.C.	-	-	-	-	-	-	-	-	
73.	CeleritiFintech Limited	0.84	230.54	-	-	(0.04)	(2.38)	-	-	
74.	CeleritiFintech USA, Inc.	-	(1.01)	-	-	-	0.13	-	-	
75.	CeleritiFintech Australia Pty Limited	-	(0.11)	-	-	-	-	-	-	
76.	CeleritiFintech Italy S.R.L.	-	-	-	-	-	-	-	-	
77.	CeleritiFintech Germany GmbH	-	-	-	-	-	-	-	-	
78.	Powerteam, LLC	0.96	266.06	-	-	0.23	12.89	-	-	
79.	Point To Point Limited	0.20	56.42	-	-	0.01	0.31	-	-	
80.	Point To Point Products Limited	0.04	10.80	-	-	0.01	0.43	-	-	

### Notes to consolidated financial statements for the year ended 31 March 2016

(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 (Contd...)

S. No.	Name of the Entity	Net Assets, i.e. total assets minus liabilities as at						Share in profit or loss for the year ended		
		31 March 2016		30 June 2015		31 March 2016 (Nine months)		30 June 2015 (Twelve months)		Amount
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount	As % of consolidated profit & loss	Amount	
<b>Associates</b>										
	Indian									
1.	Statesreet HCL Services (India) Private Limited	0.51	141.52	0.40	96.14	0.80	45.38	0.53	38.71	
	Foreign									
1.	Statesreet HCL Holding UK Limited	–	(0.19)	(0.04)	(10.32)	(0.00)	(0.07)	–	(0.03)	
2.	Statesreet HCL Services (Philippines) Inc.	0.06	16.40	0.05	11.12	0.09	5.23	0.02	1.22	
3.	CeleritiFintech Services Limited	0.53	147.22	–	–	0.20	11.54	–	–	
<b>Joint Ventures</b>										
	Foreign									
1.	Axon Puerto Rico	–	–	–	–	–	–	(0.15)	(10.90)	
<b>Total</b>		<b>100.00</b>	<b>27,605.75</b>	<b>100.00</b>	<b>24,306.50</b>	<b>100.00</b>	<b>5,661.45</b>	<b>100.00</b>	<b>7,341.85</b>	
<b>Minority Interest</b>			<b>(311.64)</b>		<b>(82.11)</b>		<b>(18.41)</b>		<b>(24.78)</b>	
<b>Consolidated Net Assets / Profit after tax</b>			<b>27,294.11</b>		<b>24,224.39</b>		<b>5,643.04</b>		<b>7,317.07</b>	

Note: Dividend received from subsidiaries has been excluded from profits.

**Notes to consolidated financial statements for the year ended 31 March 2016**

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

**3.37 Entrusted loan receivable / payable**

Two wholly owned subsidiaries in the Group, namely, HCL Technologies (Shanghai) Limited & Axon Solutions (Shanghai) Co. Limited, entered into an entrusted loan arrangement of ₹ 25.64 crores (Previous year ₹ 25.66 crores) with a bank, in which HCL Technologies (Shanghai) Limited acts as the entrusted party (the principal), the bank acts as an agent (charging commission of 0.20% p.a.) and Axon Solutions (Shanghai) Co. Limited acts as the borrower (the "Entrusted Loan"). The entrusted loan receivable and entrusted loan payable cannot be set off and bears interest of 5% p.a.

**3.38 Subsequent event**

On 1<sup>st</sup> April 2016, the Company has entered into an agreement for acquisition of the IT enabled engineering services, PLM ('Product Lifecycle Management') services and engineering design productivity software tools business of Geometric Limited by way of demerger through a Court approved scheme of arrangement under Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 (including those of the Companies Act, 2013) to be effective from 31st March 2016.

The acquisition will be accounted for in the books of the Company on approval of the scheme by the Court and simultaneously with the acquisition of the demerged business the Company will issue 10 equity shares of ₹ 2 each for every 43 fully paid equity shares of ₹ 2 each held by equity shareholders of Geometric Limited

**3.39 Previous year comparatives**

The current financial year of the Group is for a nine months period from 1st July 2015 to 31st March 2016. The figures for the current financial year are therefore not comparable with those of the previous year. Previous year figures have been rearranged to conform to the current year's classification.

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**As per our report of even date**

**FOR S. R. BATLIBOI & CO. LLP**  
ICAI Firm Registration Number : 301003E  
Chartered Accountants

**per Tridibes Basu**  
Partner  
Membership Number: 17401

Gurgaon, India  
28 April, 2016

**For and on behalf of the Board of Directors  
of HCL Technologies Limited**

**Shiv Nadar**  
Chairman and Chief Strategy Officer

**Anant Gupta**  
President and Chief Executive Officer

**Manish Anand**  
Company Secretary

Noida (UP), India  
28 April, 2016

**Amal Ganguli**  
Director

**Anil Chanana**  
Chief Financial Officer

**Statement containing the salient features of the financial statements of subsidiaries/ associates companies/ joint ventures**  
[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)

Sr. No.	Name of the Subsidiary Company	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of Share-holding
1	HCL Comnet Systems & Services Limited	31-Mar-16	INR	1.00	92,800	150,984	452,526	208,742	79,459	271,485	65,232	19,587	45,645	-	100%
2	HCL Comnet Limited	31-Mar-16	INR	1.00	9,499	2,380,404	5,912,117	3,522,214	172,250	3,718,109	38,465	24,727	13,738	-	100%
3	HCL Bermuda Limited	31-Mar-16	INR	1.00	44,475,119	1,152,940	45,730,627	102,568	-	-	1,412,749	-	1,412,749	-	100%
4	HCL Technologies (Shanghai) Limited	31-Dec-15	CNY	10.19	156,015	202,471	1,214,441	855,955	-	1,134,327	113,764	12,670	101,094	-	100%
5	HCL Eagle Limited	31-Mar-16	INR	1.00	1,000	70,715	152,173	80,458	105,342	233,420	39,699	13,608	26,091	-	92%
6	HCL Singapore Pte Limited	31-Mar-16	SGD	49.27	100,266	1,727,267	5,148,487	3,320,954	-	8,467,648	1,248,345	203,583	1,044,762	-	100%
7	HCL Training & Staffing Services Pvt. Ltd. (Note No. 4)	31-Mar-16	INR	1.00	17,513	(13,580)	237,191	233,258	-	300,805	(13,580)	-	(13,580)	-	100%
8	HCL Great Britain Limited	31-Mar-16	GBP	95.53	1,009,526	4,713,956	14,906,368	9,182,886	-	23,970,897	810,162	146,825	663,337	-	100%
9	HCL (Netherlands) BV	31-Mar-16	EUR	75.36	1,368	470,688	1,145,730	673,674	-	2,327,639	211,686	54,364	157,322	-	100%
10	HCL Belgium NV	31-Mar-16	EUR	75.36	268,896	192,145	941,427	480,386	-	1,117,922	115,244	36,951	78,293	-	100%
11	HCL Sweden AB	31-Mar-16	SEK	8.18	818	910,201	4,203,737	3,292,718	-	5,573,960	409,277	90,247	319,030	-	100%
12	HCL GmbH	31-Mar-16	EUR	75.36	1,937	624,794	3,128,993	2,502,262	-	4,585,291	181,572	63,554	118,018	-	100%
13	HCL Italy SRL	31-Mar-16	EUR	75.36	778	155,643	364,475	208,054	-	185,610	5,104	(906)	6,010	-	100%
14	HCL Australia Services Pty. Limited	31-Mar-16	AUD	51.00	25,499	834,437	3,141,596	2,281,660	-	8,779,324	425,397	130,130	295,267	-	100%
15	HCL (New Zealand) Limited	31-Mar-16	NZD	45.96	2,133	65,139	486,041	418,769	-	1,571,094	107,338	30,405	76,933	-	100%
16	HCL Hong Kong SAR Limited	31-Mar-16	HKD	8.54	1,650	98,587	265,428	165,191	-	488,440	40,170	6,542	33,628	-	100%
17	HCL Japan Limited	31-Mar-16	JPY	0.59	129,734	470,040	6,473,650	5,873,876	-	4,326,943	(191,474)	(49,130)	(142,344)	-	100%
18	HCL America Inc.	31-Mar-16	USD	66.27	495,292	33,497,315	97,548,963	63,556,356	-	156,040,659	5,161,039	1,804,016	3,357,023	-	100%
19	HCL Technologies Austria GmbH	31-Dec-15	EUR	72.13	34,071	6,004,657	6,254,398	215,670	-	82,045	84,342	81	84,261	-	100%
20	HCL Global Processing Services Limited	31-Mar-16	INR	1.00	1,061	364,896	401,728	35,771	246,772	28,935	(2,072)	7,833	(9,905)	-	100%
21	HCL BPO Services (NI) Limited	31-Mar-16	GBP	95.53	382,107	(382,107)	-	-	-	-	926,418	-	926,418	-	100%
22	HCL (Malaysia) Sdn. Bhd	31-Mar-16	MYR	16.99	1,699	1,738	4,807	1,370	-	-	(25)	-	(25)	-	100%
23	HCL Technologies Solutions Limited	31-Mar-16	INR	1.00	10,501	48,498	73,912	14,913	35,000	5,505	3,038	16,993	(13,955)	-	100%
24	HCL Poland Sp.z.o.o.	31-Mar-16	PLN	17.68	244,820	90,726	1,531,900	1,196,354	-	1,705,810	108,631	-	108,631	-	100%
25	HCL EAS Limited	31-Mar-16	USD	66.27	10,440,753	(2,140,214)	49,857,249	41,556,710	-	255,415	51,718	-	51,718	-	100%
26	HCL Insurance BPO Services Limited	31-Mar-16	GBP	95.53	774,722	70,785	1,350,843	505,336	-	1,622,999	94,476	27,225	67,251	-	100%
27	HCL Expense Management Services Inc. #	31-Mar-16	USD	66.27	0	352,467	353,303	836	-	-	45,258	-	45,258	-	100%
28	Axon Group Limited	31-Mar-16	GBP	95.53	64,767	19,018,315	19,218,539	135,457	-	-	4,108	-	4,108	-	100%
29	HCL Axon Technologies Inc.	31-Mar-16	CAD	51.25	625,673	882,504	3,777,761	2,269,584	-	4,227,365	719,201	190,751	528,450	-	100%
30	HCL Technologies Solution GmbH	31-Mar-16	CHF	68.88	8,266	(439)	101,892	94,065	-	102,125	5,701	(956)	6,657	-	100%
31	Axon Solutions Pty Limited	31-Mar-16	AUD	51.00	1,102,980	(982,444)	309,842	189,306	-	526,517	12,228	2,937	9,291	-	100%
32	Axon Solutions Inc.	31-Mar-16	USD	66.27	2,052	5,850,347	10,056,095	4,203,696	-	10,272,704	219,876	(7,207)	227,083	-	100%
33	Axon Solutions Limited	31-Mar-16	GBP	95.53	96	3,532,195	8,085,476	4,553,185	-	10,006,422	843,883	(267,379)	1,111,262	-	100%
34	HCL Axon Malaysia Sdn. Bhd.	31-Mar-16	MYR	16.99	373,778	681,647	1,306,804	251,379	-	1,518,747	144,482	36,091	108,391	-	100%
35	Axon Solutions Singapore Pte Limited	31-Mar-16	SGD	49.27	4,927	(71,420)	53,799	120,292	-	76,461	11,328	1,686	9,642	-	100%
36	Axon Solutions (Shanghai) Co. Limited	31-Dec-15	CNY	10.19	21,077	233,159	2,216,642	1,962,406	-	2,584,314	432,234	133,151	299,083	-	100%
37	HCL Axon (Proprietary) Limited.	31-Mar-16	ZAR	4.50	391,448	1,779,970	3,522,539	1,351,121	-	3,206,369	846,709	237,089	609,620	-	70%
38	HCL Argentina s.a.	31-Mar-16	ARS	4.53	13,424	(23,527)	67,926	78,029	-	57,795	(9,470)	11,139	(20,609)	-	100%



**Statement containing the salient features of the financial statements of subsidiaries/ associates companies/ joint ventures (Contd...)** (Amount in ₹ Thousand)

Sr. No.	Name of the Subsidiary Company	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments (other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of Share-holding
39	HCL Mexico S. de R.L.	31-Dec-15	MXN	3.81	59,545	46,271	1,173,134	1,067,318	-	1,836,173	26,741	(13,537)	40,278	-	100%
40	HCL Technologies Romania s.r.l.	31-Mar-16	RON	16.84	5,948	2,168	39,545	31,429	-	38,426	4,540	370	4,170	-	100%
41	HCL Hungary Kft	31-Mar-16	HUF	0.24	2,159	(1,336)	32,681	31,858	-	23,679	952	76	876	-	100%
42	HCL Latin America Holding LLC	31-Mar-16	INR	1.00	744,018	(4,162)	739,877	21	-	-	(8,343)	-	(8,343)	-	100%
43	HCL (Brazil) Tecnologia da Informacao Ltda.	31-Dec-15	BRL	16.70	412,326	(390,412)	513,542	491,628	-	819,117	(88,891)	(5,924)	(82,967)	-	100%
44	HCL Technologies Denmark Apps	31-Mar-16	DKK	10.12	33,065	95,250	858,268	729,953	-	1,972,894	74,841	16,474	58,367	-	100%
45	HCL Technologies Norway AS	31-Mar-16	NOK	8.01	23,963	468,270	3,231,418	2,739,185	-	4,608,280	219,578	60,227	159,351	-	100%
46	PT. HCL Technologies Indonesia Limited	31-Mar-16	IDR	0.01	45,370	(4,048)	189,322	148,000	-	148,450	12,079	3,141	8,938	-	100%
47	HCL Technologies Philippines Inc.	31-Mar-16	PHP	1.44	391,524	108,330	1,133,933	634,079	-	1,020,362	118,103	24,588	93,515	-	100%
48	HCL Technologies South Africa (Proprietary) Limited	31-Mar-16	ZAR	4.50	13,386	152,816	258,122	91,920	-	151,378	11,774	5,028	6,746	-	70%
49	HCL Arabia LLC	31-Dec-15	SAR	17.62	8,811	(49,783)	317,618	358,590	-	175,050	(1,545)	-	(1,545)	-	100%
50	HCL Technologies France	31-Mar-16	EUR	75.36	189,605	146,416	3,406,650	3,070,629	-	4,175,953	94,060	40,424	53,636	-	100%
51	FILIAL ESPANOLA DE HCL TECHNOLOGIES. S.L.	31-Mar-16	EUR	75.36	22,608	14,162	250,856	214,086	-	284,538	18,218	2,230	15,988	-	100%
52	Anzospan Investments (PTY) Limited	31-Mar-16	ZAR	4.50	404,946	(2,533)	404,847	2,434	-	-	(754)	-	(754)	-	70%
53	HCL Investments (UK) Limited	31-Mar-16	GBP	95.53	611,858	(2,342)	611,911	2,395	-	(415)	(415)	-	(415)	-	100%
54	HCL America Solutions Inc.	31-Mar-16	USD	66.27	663	3,226	1,492,672	1,488,783	-	2,530,847	10,190	4,349	5,841	-	100%
55	HCL Technologies Chile Spa	31-Mar-16	CLP	0.10	59,357	46,290	288,941	183,294	-	251,146	1,227	4,930	3,703	-	100%
56	HCL Technologies UK Limited	31-Mar-16	GBP	95.53	1,204,974	426,909	13,147,149	11,515,266	-	11,520,042	333,579	70,308	263,271	-	100%
57	HCL Technologies BV	31-Mar-16	EUR	75.36	7,536	16,734	220,715	196,445	-	242,700	20,242	4,329	15,913	-	100%
58	HCL (Ireland) Information Systems Limited	31-Mar-16	EUR	75.36	7,536	36,587	665,359	621,236	-	959,566	42,252	5,913	36,339	-	100%
59	HCL Technologies Germany GmbH	31-Mar-16	EUR	75.36	7,536	(11,028)	814,334	817,826	-	844,115	(11,882)	-	(11,882)	-	100%
60	HCL Technologies Belgium BVBA	31-Mar-16	EUR	75.36	7,536	(23,841)	313,473	329,778	-	44,780	(22,682)	-	(22,682)	-	100%
61	HCL Technologies Sweden AB	31-Mar-16	SEK	8.18	661,051	(216,903)	8,552,822	8,108,674	-	617,253	(279,558)	(61,332)	(218,226)	-	100%
62	HCL Technologies Finland Oy	31-Mar-16	EUR	75.36	7,536	63,162	510,194	439,496	-	374,229	28,223	5,646	22,577	-	100%
63	HCL Technologies Italy S.P.A	31-Mar-16	EUR	75.36	75,360	47,048	534,609	412,201	-	1,069,581	(577)	2,539	(3,116)	-	100%
64	HCL Technologies Colombia S.A.S	31-Dec-15	COP	0.02	-	405	19,262	18,857	-	12,973	976	291	685	-	100%
65	HCL Technologies Middle East FZ- LLC	31-Mar-16	AED	18.03	3,607	(9,489)	332,250	338,132	-	205,369	19,689	-	19,689	-	100%
66	HCL Istanbul Bilişim Teknolojileri Limited Şirketi	31-Mar-16	TRY	23.48	2,348	20,352	156,416	133,716	-	350,248	29,273	6,096	23,177	-	100%
67	HCL Technologies Greece Single Member P.C.	31-Mar-16	EUR	75.36	3,768	(60)	52,653	48,945	-	20,145	1,246	193	1,053	-	100%
68	HCL Technologies S.A.	31-Mar-16	VEF	6.63	16,568	(55,437)	43,516	82,385	-	30,960	(15,557)	-	(15,557)	-	100%
69	HCL Technologies Beijing Co. Ltd.	31-Mar-16	CNY	10.26	64,285	446	66,674	1,943	-	-	446	-	446	-	100%
70	HCL Technologies Luxembourg S.a.r.l	31-Mar-16	EUR	75.36	3,768	433	21,295	17,094	-	12,077	611	179	432	-	100%
71	HCL Technologies Egypt Limited	31-Mar-16	EGP	7.45	2,609	15,622	39,072	20,841	-	20,913	86	19	67	-	100%
72	HCL Foundation	31-Mar-16	INR	1.00	500	(112)	438	50	-	-	(25)	-	(25)	-	100%

**Statement containing the salient features of the financial statements of subsidiaries/ associates companies/ joint ventures (Contd...)**

(Amount in ₹ Thousand)

Sr. No.	Name of the Subsidiary Company	Financial period ended	Reporting Currency	Exchange Rate as on respective balance sheet date	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments (Other than in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of Share-holding
73	HCL Technologies Estonia OU	31-Mar-16	EUR	75.36	3,768	(7,953)	11,481	15,666	-	-	(7,953)	-	(7,953)	-	100%
74	HCL Technologies (Thailand) Ltd.	31-Mar-16	THB	1.88	36,983	(1,682)	75,604	40,303	-	10,935	(2,102)	(420)	(1,682)	-	100%
75	HCL Technologies Czech Republic s.r.o. (Note No. 3)	31-Dec-15	CZK	2.67	3,643	(2,528)	9,827	8,712	-	-	(2,528)	-	(2,528)	-	100%
76	HCL Muscat Technologies L.L.C. (Note No. 3)	31-Mar-16	OMR	172.11	3,442	(3,549)	9,270	9,377	-	-	(3,549)	-	(3,549)	-	100%
77	CelerifiFintech Limited (Note No. 3)	31-Mar-16	GBP	95.53	4,163,818	(37,733)	4,447,150	321,065	-	203,990	(55,023)	(17,290)	(37,733)	-	51%
78	CelerifiFintech USA, Inc. (Note No. 3)	31-Mar-16	USD	66.27	-	1,313	47,727	46,414	-	44,501	2,021	707	1,314	-	51%
79	CelerifiFintech Australia Pty Limited (Note No. 3)	31-Mar-16	AUD	51.00	3,570	41	6,420	2,809	-	4,719	58	17	41	-	51%
80	CelerifiFintech Germany GmbH (Note No. 3)	31-Mar-16	EUR	75.36	3,316	(37)	3,323	44	-	-	(37)	-	(37)	-	51%
81	CelerifiFintech Italy S.R.L. (Note No. 3)	31-Mar-16	EUR	75.36	3,316	(75)	3,316	75	-	-	(75)	-	(75)	-	51%
82	Concept2Silicon Systems Private Limited (Note No. 4)	31-Mar-16	INR	1.00	150	21,220	63,974	42,604	-	130,306	(33,485)	(4,605)	(28,880)	-	100%
83	PowerTeam, LLC (Note No. 4)	31-Mar-16	USD	66.27	83	2,433,354	2,562,894	129,457	-	3,298,919	307,328	2,540	304,788	-	100%
84	Point to Point Limited (Note No. 4)	31-Mar-16	GBP	95.53	15,717	88,378	217,242	113,147	-	694,412	11,362	(10,268)	21,630	-	100%
85	Point to Point Products Limited (Note No. 4) #	31-Mar-16	GBP	95.53	0	18,403	55,447	37,044	-	253,529	15,125	3,030	12,095	-	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 (₹)
HCL Expense Management Services Inc.	66.27
Point to Point Products Limited	191.05

3 Following entities were incorporated during the year:

- \* HCL Technologies Czech Republic s.r.o., a wholly-owned subsidiary of HCL Technologies UK limited, has been incorporated on 28 August 2015.
- \* HCL Muscat Technologies L.L.C., a wholly-owned subsidiary of HCL Bermuda Limited, has been incorporated on 17 December 2015.
- \* CelerifiFintech Limited, a subsidiary of HCL Technologies UK Limited, has been incorporated on 8 July 2015.
- \* CelerifiFintech USA, Inc. a subsidiary of CelerifiFintech Limited, UK, has been incorporated on 28 August 2015.
- \* CelerifiFintech Australia Pty Limited a subsidiary of CelerifiFintech Limited, UK, has been incorporated on 1 September 2015.
- \* CelerifiFintech Germany GmbH a wholly owned subsidiary of CelerifiFintech Limited, UK, has been incorporated on 20 January 2016.
- \* CelerifiFintech Italy S.R.L a wholly owned subsidiary of CelerifiFintech Limited, UK, has been incorporated on 19 November 2015.

4 Following entities were acquired during the year:

- \* HCL Training & Staffing Services Pvt. Ltd was acquired on 29 February 2016.
- \* Concept2Silicon Systems Private Limited was acquired on 16 October 2015.
- \* PowerTeam, LLC was acquired on 28 October 2015.
- \* Point to Point Limited was acquired on 22 January 2016.
- \* Point to Point Products Limited was acquired on 22 January 2016.

5 Operations of HCL Joint Venture Holdings Inc. are yet to commence.

**For HCL Technologies Limited**

**Shiv Nadar**

Chairman and Chief Strategy Officer

**Anna Ganguli**

Director

**Anant Gupta**

President and Chief Executive Officer

**Anil Chanana**

Chief Financial Officer

**Manish Anand**

Company Secretary

Place: Noida, UP (India)

Date: August 19, 2016

**Statement containing the salient features of the financial statements of subsidiaries/ associates companies/ joint ventures**  
[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)

Name of Associate	Celeriti Fintech Services Limited*	Statestreet HCL Holding UK Limited	Statestreet HCL Services (India) Private Limited**	Statestreet HCL Services (Phillipines) Inc.**
<b>Latest audited Balance Sheet Date</b>	#	31-Mar-16	31-Mar-16	31-Mar-16
<b>Shares of Associates held by the Company on the year end</b>				
Number of shares	14,819,900	10,000,000	Refer note 2	
Amount of Investment in Associates	1,415,696	609,710		
Extent of Holding %	49%	49%		
<b>Description of how there is significant influence</b>	Refer note 1		Refer note 3	
<b>Reason why the associates is not consolidated</b>	Refer note 1		Refer note 3	
<b>Networth attributable to Shareholding as per latest audited Balance Sheet</b>	#	607,980	1,414,802	254,749
<b>Profit/(Loss) for the year</b>	#	(683)	425,409	52,074
Consideration in Consolidation	56,525	(708)	453,820	52,321
Not Consideration in Consolidation	#	25	(28,411)	(247)

\* Consolidated results of CeleritiFintech Services Limited includes results of its following wholly owned subsidiaries

- CeleritiFintech Services USA Inc.
- CeleritiFintech Services Australia Pty. Limited
- CeleritiFintech Services Italy S.R.L
- CeleritiFintech Services Germany GmbH
- CeleritiFintech Services India Pvt. Ltd.

# The first financial statement for the associate are under audit .

\*\* 100% subsidiaries of associate - Statestreet HCL Holding UK Limited

**Notes:**

1. Pursuant to AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements", the investment in Celeritifintech Services Limited is accounted for by the equity investment method as the Group has the ability to exercise significant influence over this entity.
2. Statestreet HCL Services (India) Private Limited & Statestreet HCL Services (Phillipines) Inc is wholly owned subsidiary of Statestreet HCL Holding UK Limited.
3. The Group has an equity interest of 49% in associates and 100% dividend rights. The shareholders agreement provides specific rights to the two shareholders. The management believes that these specific rights do not confer joint control as defined in Accounting Standard 27 "Financial Reporting of Interests in Joint Ventures". Consequently, Statestreet HCL Holding UK Limited and its step down subsidiaries are not considered as joint ventures and consolidation of financial statements is carried out as per the equity method in terms of Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

**For HCL Technologies Limited**

**Shiv Nadar**  
Chairman and Chief Strategy Officer

**Amal Ganguli**  
Director

**Anant Gupta**  
President and Chief Executive Officer

**Anil Chanana**  
Chief Financial Officer

**Manish Anand**  
Company Secretary

Place: Noida, UP(India)

Date: August 19, 2016

# HCL



[www.hcltech.com](http://www.hcltech.com)

HCL Technologies is a leading global IT services company operating out of 32 countries and with consolidated revenues of US \$ 6.2 billion, for 12 Months ended 31st March, 2016. For the 21st Century Enterprise, HCL focuses on business model transformation, underlined by innovation and value creation, offering an integrated portfolio of services including BEYONDigital, IoT WoRKS, Engineering Services Outsourcing and Next-Generation ITO that focuses on transformation-led integrated infrastructure services, applications services and business services. With 104,896 professionals from diverse nationalities, HCL Technologies focuses on creating real value for customers by taking 'Relationships Beyond the Contract'. For more information, please visit [www.hcltech.com](http://www.hcltech.com)

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