Management Discussion and Analysis (MDA)

₹130,144 crores
Consolidated Revenue,
up **11.2%** YoY

ROIC 40.3%*
up 235 bps YoY

*ROIC of FY26 exclude one-time New Labour Codes impact

₹18,553 crores
Free Cash Flow

Business Highlights

In FY26, HCLTech grew at 11.2% year-over-year (YoY) while navigating an evolving landscape of AI-driven technological transformation and geopolitical uncertainties. HCLTech reported a consolidated revenue of ₹130,144 crores in FY26, supported by a growing AI portfolio, AI service transformation and acceleration in growth markets. A key highlight of the year was the rapid scale-up of our Advanced AI business, which reached $620 million in annualized revenue. This year's profitability was impacted by 65 bps due to non-recurring restructuring costs. Adjusted for this non-recurring charge, Earnings Before Interest and Taxes (EBIT) margin* for the fiscal year was at 17.9%. Net income was ₹16,642 crores while Operating Cash Flow (OCF) and Free Cash Flow (FCF) were ₹19,975 crores and ₹18,553 crores, respectively. The Return on Invested Capital (ROIC)* was 40.3%, up 235 bps YoY, reflecting disciplined capital allocation and our focus on long-term shareholder value. Our performance was acknowledged through several prestigious recognitions. HCLTech received two recognitions from TIME magazine — as one of the World's Best Companies and the World's Most Sustainable Companies — in 2025. We were also included in Fortune's World's Most Admired Companies list for 2026.

**EBIT Margin and ROIC of FY26 exclude one-time New Labour Codes impact of ₹956 crores*

Scaling Innovation: Services, Software and the AI Frontier

HCLTech's services portfolio continues to grow in this dynamic environment, supported by sustained demand for AI led solutions, engineering services, cloud modernization and digital transformation. HCLTech's AI offerings, spanning Service Transformation, Advanced AI and Classical AI, have become key differentiators. They position the company's offerings as the intelligence layer across enterprise technology stacks and the company as a preferred partner for AI transformation. We are working to accelerate our shift toward an IP-led, platform-centric model, building non-linear revenue streams through repeatable, industry-focused solutions and services-as-software offerings. This positions us strongly to capture the next phase of value creation in the AI era. We pursued targeted acquisitions to add strategic value to our portfolio and enhance our market position. This included expanding our telecom engineering capabilities through an agreement to acquire HPE's Telco Solutions Business. We also augmented our financial services portfolio with Finergic's specialized banking expertise. The data and analytics offerings of HCLSoftware were strengthened through the strategic acquisition of Wobby, an AI Data Analyst Agent startup. HCLSoftware also recently signed an agreement to acquire Jaspersoft, a leader in embedded analytics. Our technology services and software portfolio earned over 390 analyst leadership recognitions, a testament to HCLTech's unwavering commitment to delivering innovative, customer-centric solutions that drive real business outcomes for our clients. With a differentiated AI strategy, expanding IP assets and a proven all-weather portfolio, HCLTech is well-positioned to translate emerging opportunities into sustained, compounding growth.

Empowering an AI-Native Workforce: Talent, Culture and Future-Readiness

HCLTech's most enduring competitive advantage is its talent and FY26 demonstrated our continued commitment towards investing in the growth, well-being and sense of belonging of our employees. At HCLTech, we are reimagining the synergy between human ingenuity and artificial intelligence (AI). We have been transitioning from traditional upskilling to pioneering an AI-native talent strategy, embedding AI into the very fabric of our culture and operations. Rather than treating AI as a standalone skill, we have integrated it as a fundamental layer across our entire workforce, enabling our people to lead in AI, cloud and engineering through an AI-first mindset. This fiscal year, we transitioned to persona-based AI training, reaching a milestone of 144,000+ unique employees trained across our various offerings. This evolution has solidified our position as one of the most future-ready workforces in the industry.

This AI-led approach to workforce transformation, underpinned by our people-first culture, earned widespread external recognition, including being featured in Forbes list of World's Best Employers for the sixth year in a row and also have been recognized by Forbes as one of America's Best Employers for New Grads 2025 for the second consecutive year — a distinction that speaks about the consistency and depth of our people practices. Our commitment to employee listening, responsiveness and experience excellence was further strengthened through the EA'RS (Employee Action & Response System) framework. This digital-first platform enables continuous feedback capture, real-time action and effective closure of employee concerns with measurable outcomes. By fostering a culture of responsiveness and accountability, EA'RS has enhanced the employee experience and earned industry recognition from The Economic Times, PeopleFirst HR Excellence Awards, Financial Express and Brandon Hall Group. HCLTech's inclusion agenda received equally strong external validation: the company was included in Best Companies for Women in India (BCWI) 2025 list and inducted into the BCWI Hall of Fame for consistent performance over five years, while also being recognized as an "Exemplar of Inclusion" in the Most Inclusive Companies Index (MICI) 2025 by Avtar & Seramount.

Deepening Client Partnerships: Trust, Scale and Market Share Gains

HCLTech has built its growth on a simple but powerful tenet: evolving in step with client needs. That client-centricity is validated externally — HCLTech is the only service provider rated as a "Customers' Choice" across all six published Gartner Peer Insights® Voice of the Customer assessments for IT services. We were also recognized as the Fastest-Growing Tech Services Brand among India's Top 10 by Kantar BrandZ 2025. This trust is translating directly into financial momentum. We recorded a total contract value (TCV) of $9.3 billion in net new deal wins in FY26. Growth is being driven by multiple factors. We are expanding wallet-share from existing clients through cross-selling and new propositions. At the same time, we are increasing market participation across Global 2000 companies, emerging businesses and also geographically through growth markets. We also launched a focused initiative to sharpen our strategic emphasis on the mid-market segment. This market is worth over $400 billion and is growing rapidly. Demand for AI-centric and engineering-led transformation programs is accelerating and HCLTech is capturing a significant portion of it. The company enters its next phase with a differentiated, all-weather portfolio, deep engineering heritage and an increasing platform-led AI strategy, capabilities that are difficult to replicate and structurally aligned with where enterprise technology spending is heading. HCLTech remains well-positioned to deliver enduring, compounding value for clients in the AI-first era.

Leading with Purpose: Our ESG Commitment

HCLTech's Environmental, Social and Governance (ESG) approach reflects its conviction that long-term business value and responsible conduct are inseparable. In FY26, we continued embedding sustainability, ethics and social responsibility into our strategy and operations. For the third consecutive year, HCLTech was recognized as one of the World's Most Ethical Companies® by Ethisphere, reaffirming our commitment to integrity and robust governance. ESG considerations remain integrated into decision-making, supporting long-term resilience, stakeholder trust and sustainable value creation. Complementing these efforts, HCLFoundation drove meaningful social impact, reaching over 8.4 million lives in India through inclusive growth and community development initiatives. By upholding the highest standards of governance and social responsibility, we ensure our growth is profitable, sustainable and ethically grounded, creating a positive impact across the communities we serve.

Creating Enduring Shareholder Value: A Decade of Industry-Leading TSR

HCLTech's FY26 performance reaffirmed our commitment to delivering top-quartile Total Shareholder Return (TSR) through a balanced and disciplined five-pillar value creation framework encompassing sustained organic growth, margin resilience, strong cash flow conversion, disciplined capital allocation and consistent shareholder returns. Over the past decade, this approach has enabled HCLTech to consistently deliver top-quartile TSR, cementing our position among the world's largest IT services companies by market capitalization and reflecting enduring investor trust in our business model.

The IT services industry periodically undergoes phases of heightened scrutiny as new technologies enter the market, including the current recalibration around the AI cycle. We view this not just as a disruption, but also as the acceleration of some arenas as well as the emergence of new spending vectors. Leveraging our engineering heritage and entrepreneurial DNA, we have sharpened our capabilities and go-to-market (GTM) investments to capture these opportunities, supported by AI-led transformational propositions.

In FY26, new deal wins of $9.3 billion TCV reinforced the strength of our all-weather portfolio. EBIT* and net income reached $2,526 million and $1,877 million, respectively, while ROIC* improved to 40.3%, up 235 bps year on year. Our strong operational execution supported robust cash generation, enabling us to sustain disciplined investments while returning 87.8% of net income to shareholders, in line with the Board's commitment to a minimum 75% payout. HCLTech remains well-positioned to deliver sustained, long-term value and maintain growth leadership through the next phase of the technology cycle.

Looking ahead, while the technology sector navigates geopolitical uncertainties and an AI-driven paradigm shift, HCLTech is well-positioned to capitalize on the increasing technology intensity of the global economy. Our diversified portfolio spanning services and software, deep engineering heritage and an early-mover advantage in Advanced AI provide a robust framework for sustained leadership. As we continue to strengthen our market participation and enhance our AI-driven capabilities, we remain committed to our ambition of becoming the best AI solutions company. Supported by strong governance, a future-ready AI-native workforce and a healthy balance sheet, HCLTech enters FY27 with the momentum and strategic clarity required to thrive in the AI-first era.

**EBIT and ROIC of FY26 exclude one-time New Labour Codes impact of $109M.*

Our Business

We are a global technology company, delivering industry-leading capabilities centered around AI, digital, engineering, cloud and software, powered by a broad portfolio of technology services and products. Our ambition is to be the best AI solutions company in the world. We are supercharging progress by integrating AI across everything we do, enhancing existing offerings and building new ones to accelerate business transformation, deliver smarter outcomes for our clients and create lasting impact for our employees, communities and the planet. As AI evolves, it is simultaneously transforming existing services and creating entirely new ones. These shifts broadly fall into three categories: AI-disrupted, AI-accelerated and AI-native. Each category demonstrates distinct growth dynamics and HCLTech has developed tailored strategies for each, focusing on differential growth and identifying areas with the highest potential for value creation.

The company operates and reports financial performance through three segments: IT and Business Services (ITBS) and Engineering and R&D Services (ERS), the two services businesses and HCLSoftware, the products and platforms business. These segments comprise a portfolio of offerings that deliver business outcomes for our clients, at speed and at scale. This provides leaders and stakeholders with a comprehensive market-aligned financial view of our strategies and business execution. In addition to reporting revenues by segment, we also report revenue by geographic market and industry verticals for our services business. Our go-to-market (GTM) organization is structured around key industry verticals of Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Public Services (Energy and Utilities, Travel-Transport-Logistics and Government), Retail and CPG and Telecommunications, Media, Publishing and Entertainment.

HCLTech's services business saw a year-over-year revenue increase of 4.8% in CC, with EBIT margin* of 16.2%. We were the first in the industry to disclose our annualized Advanced AI revenue of $620 million this fiscal. HCLSoftware's revenue declined by 4.1% YoY in CC, while achieving an EBIT margin* of 26.5%. The ROIC* for Services and HCLSoftware were 47% and 22.6 %, reflecting an increase of 155 and 274 basis points, respectively.

**EBIT Margin and ROIC of FY26 exclude one-time New Labour Codes impact.*

IT and Business Services (ITBS)

offers a comprehensive suite of digital transformation solutions in applications, infrastructure, cloud, AI and business process operations to cater to the evolving needs of global enterprises. It accounted for 73.8% of the overall revenue mix in FY26. ITBS revenue grew 3.7% YoY in CC driven by all its service lines: Digital Business Services (DBS), Digital Foundation Services (DFS), Business Process Operations (BPO) and HCLTech Career Shaper™. The EBIT* margin for the fiscal year was 16%.

Digital Business Services (DBS) spans Consulting and Advisory, Modern Applications, Enterprise Applications and Data & AI Services — delivered through an integrated, full-stack transformation model. The applications business is undergoing a structural shift and incremental digital transformation is giving way to AI-centered, autonomous enterprise models, where intelligence is becoming foundational across the entire application stack. Traditional delivery models are being replaced by predictive, multi-modal interactions that anticipate business needs, redefining engineering practices, operating models and value expectations alike.

HCLTech is well-prepared for this shift, moving beyond discrete AI tools to embed systemic intelligence across the DBS portfolio. Our AI-led, full-stack approach embeds intelligence across experience, core systems and data layers paired with operating model redesign, workforce reskilling and AI-augmented delivery. Together, this enables clients to move decisively from experimentation to enterprise-scale adoption, with measurable, outcome-driven results. With the addressable market set to reach $650 billion by 2030, HCLTech's track record of strategic wins, analyst recognitions and a growing ecosystem of innovation labs built independently and with key partners, position it to lead this next wave of transformation.

Digital Foundation Services (DFS) delivers a comprehensive portfolio spanningdelivers a comprehensive portfolio spanning Hybrid and Multicloud, Digital Workplace, Next Generation Networks, Cybersecurity, Governance, Risk and Compliance (GRC) and Unified Service Management (USM), enabling enterprises to build resilient, intelligent and secure digital foundations. We are increasingly seeing AI-driven demand, with clients prioritizing AI-enabled infrastructure and operations as a core business imperative. In response, we are systematically embedding AI across our portfolio to enhance service quality, automation and user experience. We have consistently delivered market-leading performance, demonstrating resilient growth despite broader market volatility. FY26 marked a year of transformational engagements, with DFS executing AI-first greenfield implementations, AI-driven "Super Intelligent" computing clusters, mainframe modernization programs and Next Generation Workplace transformations. As part of this evolution, we are also reimagining Digital Workplace (DWP) into platform-based services, leveraging AI to deliver more intuitive, predictive and personalized workplace experiences.

Looking ahead, the global enterprise infrastructure services market is projected to cross $450 billion by 2030, driven by AI/GenAI-enabled automation, edge computing, SD-WAN and cybersecurity transformation. To capitalize on this opportunity, DFS has made targeted investments across six strategic offerings: AI Factory, Edge Computing Services, Digital Identity, Integrated SASE, Platform-Based Services and Governance, Risk & Compliance (GRC) Services. HCLTech's AI Factory is an enterprise-scale platform engineered to move AI from experimentation to production by unifying infrastructure, platforms, data and governance. Leveraging the AI and GenAI capabilities of the AIForce.Ops platform, DFS is advancing toward highly automated service delivery models, with core services growth further supported by large-scale cost optimization programs and vendor consolidation initiatives.

Business Process Operations (BPO) enables intelligent, autonomous operations by integrating domain expertise, process design and AI. At its core is our Agentic Operations Platform, which orchestrates intelligent agents, human expertise and enterprise systems across the enterprise value chain. Business Process Operations is undergoing a structural shift from service-centric delivery to an AI-embedded, platform-driven operating model. This goes beyond automation. It is about redesigning how operations are built and run, embedding AI, domain expertise, process intelligence, data and technology into unified platforms that serve core enterprise functions at scale.

Our approach towards our portfolio transformation combines modernization of existing operations along with the development of AI-native, domain-focused solutions across areas such as finance, supply chain, customer operations and industry-specific processes. Intelligence is applied to judgment intensive workflows to improve decision accuracy, responsiveness and process adaptability over time. Together, this approach supports near term improvements in efficiency, resilience and scalability, while enabling clients to build future ready operating models aligned to growing demand for AI driven, platform based process transformation. With the global intelligent process automation and BPO market projected to grow, BPO is well-positioned to capture accelerating demand for AI-led, platform-driven enterprise transformation.

HCLTech Career Shaper™ continues to advance its mission of building future-ready talent through applied learning and digital skilling. With an AI-first approach, it offers an integrated portfolio spanning advisory services, technology platforms, hands-on learning and tailored programs for learners across career stages. Career Shaper™ is expanding its global footprint, gaining traction across G2000 enterprises, government bodies and higher education institutions, with strong momentum in Banking, Financial Services and Insurance sector in the Middle East, Retail, Telecom, Media and Entertainment industries and leading universities worldwide. The year marked a notable milestone with the HCLTech–Pearson 360° Growth Partnership, combining Pearson's expertise in learning and assessment with HCLTech's strengths in digital transformation, product engineering and AI to deliver AI-powered workforce solutions that bridge skills gaps and enhance employability. Looking ahead, the focus remains on expanding partnerships, strengthening the AI-driven learning ecosystem and accelerating adoption of advanced learning models to build a globally competitive, digitally proficient workforce.

**EBIT Margin and ROIC of FY26 exclude one-time New Labour Codes impact.*

Engineering and R&D Services (ERS)

Builds on a multi-decade-long foundation of engineering excellence to partner with leading global enterprises across the full spectrum from chip to cloud—spanning Product Engineering, Digital Engineering and Digital Manufacturing. This breadth and extensive experience have earned ERS leadership recognition across 52 of 54 industry benchmarks for engineering and R&D services. In FY26, ERS delivered a good performance, with 9.8% year-on-year revenue growth in constant currency and an EBIT margin* of 16.8%, supported by resilient demand across core engineering-led transformation programs.

As products increasingly become intelligent, connected and software-defined, ERS is actively evolving alongside AI, leveraging its potential while applying it with engineering rigor. We are scaling capabilities across Physical AI, Generative AI and Agentic AI, with Semiconductor engineering and Physical AI emerging as key growth vectors. Our work spans edge computing, robotics, custom silicon, autonomous systems and AI-led IP, enabling real-world solutions such as intelligent medical diagnostics, industrial inspection and advanced safety systems for next-generation products.

We continue to invest in innovation-led infrastructure, including a large-scale advanced Semiconductor Lab, designed to support end-to-end silicon research and AI-driven semiconductor development. This strengthens our ability to address growing client demand across semiconductors and AI hardware. We also announced our intent to acquire HPE's Telecommunications Solutions assets, which once completed will further deepen our telecom engineering capabilities, complementing the earlier integration of HPE's Communications Technology Group and enhancing our ability to support communication service providers' transformation journeys.

Analysts continue to recognize ERS for its strong positioning in digital thread, digital twin and AI-enabled engineering workflows. With the global engineering services market poised for sustained growth, ERS is well-positioned to capture emerging opportunities through disciplined AI adoption, targeted investments and a continued focus on delivering measurable engineering outcomes for clients.

**EBIT Margin and ROIC of FY26 exclude one-time New Labour Codes impact.*

HCLSoftware

Is one of the largest enterprise software product businesses headquartered in Asia. In FY26, revenue stood at $1,395 million, a decrease of 4.1% year-over-year in constant currency and Annual Recurring Revenue (ARR) was $1045million. We've structured our portfolio around the XDO (Experience, Data and Operations) blueprint to meet the market's shift toward platform-led, composable consumption. In today's complex landscape, success hinges on seamlessly connecting customer experience (X), data insights (D) and efficient operations (O). Our comprehensive X D O blueprint empowers in crafting unified customer journeys where data driven operations anticipate needs and deliver exceptional, personalized interactions at every touchpoint. By unifying our offerings under this framework, we've moved beyond individual products to a foundational model that powers enterprise digital transformation in the age of AI. The market has validated this direction and HCLSoftware for their most critical transformations and leading analysts have taken note. We were recognized as a Leader in the Gartner Magic Quadrant for Intelligent Operations, spanning Endpoint Management, Application Security Testing and Service Orchestration and Automation. Our XDO blueprint is gaining further traction through strategic partnerships — with Microsoft on Azure for unified solution delivery, Splunk for deep analytics integration and Salt Security for proactive API protection. We bolstered our Data pillar by integrating an MCP Server into the Actian Data Intelligence Platform and acquiring Wobby, an AI Data Analyst Agent. With the recent agreement to acquire Jaspersoft, a leader in embedded analytics, we are evolving beyond data foundations to provide AI-driven visualization and self-service insights.

Looking ahead, we are sharpening our focus around three enterprise priorities: Digital Sovereignty, giving organizations control over their data, security and compliance posture; Agentic Service as a Platform (ASaP), operationalizing AI agents as governed, reusable services; and Data Intelligence, accelerating decision-making through trusted, AI-ready data foundations.

As we accelerate into the AI-native era, HCLSoftware is singularly focused on transforming enterprise software through pragmatic AI integration embedding intelligence not as a feature, but as the foundation of every product. Our focus will also be on ensuring that our clients can unlock the full potential of their digital transformation with HCLSoftware.

AI and GenAI

AI represents a defining inflection point for the technology industry and HCLTech is positioned to capture this shift both strategically and profitably. Our strong engineering heritage, technology orientation and sustained focus on innovation form the foundation of this advantage. Over the past several years, we have made conscious investments in intellectual property, deepened our partner ecosystem and scaled our go-to-market and delivery capabilities. These efforts are now translating into tangible outcomes as reflected in our growing Advanced AI revenue.

As AI starts to scale up, it is reshaping established services while simultaneously giving rise to entirely new ones. We see the market shifting into three categories: AI-disrupted, AI-accelerated and AI-native. AI-disrupted are traditional services facing structural displacement by AI, requiring reinvention to remain competitive (e.g. Business Process Services, Software Development, Consulting, Infrastructure and Application Implementation and Managed Services). AI-accelerated are the established services delivering superior outcomes through deep AI integration (e.g. Cybersecurity, Data, Infrastructure, Technology Consulting, IaaS). AI-native are the purpose-built AI offerings with no legacy precedent, representing net-new revenue pools (e.g. AI Factory Services, Physical AI, Custom silicon for inferencing).

HCLTech's AI portfolio spans Advanced AI, Classical AI and Service Transformation, reflecting a structured approach to embedding intelligence across its offerings. Our Advanced AI portfolio encompasses among others, Industry AI solutions (IAIS), AI Engineering, Agentic AI, Physical AI, AI Factory and AI Advisory services alongside proprietary AI IPs. In parallel, HCLTech continues to deliver Classical AI solutions comprising traditional AI propositions across AI/ML and RPA (robotic process automation) technologies, enabling clients to modernize operations while progressing along a continuum from traditional automation to advanced, AI-driven transformation. Within Service Transformation, the company is actively transforming its services portfolio by leveraging AI capabilities, including GenAI, Agentic AI and Robotics, supported by its AI Force platform and Service-as-Software offerings. Starting this fiscal year, we began reporting our Advanced AI revenue as a distinct metric.

HCLTech's AI and GenAI Practice assists clients in navigating AI-enabled opportunities and challenges through a practical portfolio of platforms, IPs, solutions and services. In FY26, AI and GenAI became integral components of nearly every deal, strengthening both our pipeline and the depth of client conversations across all domains. This momentum is driven by our five-pronged strategy: proactively transforming core services, building differentiated AI IPs, expanding into AI-led offerings, strengthening global partnerships across AI technology stack and transforming our people for the AI era. At the center of this is our evolving AI portfolio spanning Service Transformation, Advanced AI and Classical AI — helping clients move decisively from experimentation to scaled deployment. Our innovation momentum accelerated throughout the fiscal year. Notably, AI Force 2.0, now enhanced with Agentic capabilities, has been deployed across more than 75 priority accounts. In parallel, our AI Factory model is addressing the trillion-dollar global AI capex opportunity by enabling secure, full-stack compute options for global enterprises. We also introduced next-generation platforms such as VisionX 2.0, our multimodal AI Edge platform, a suite of Kinetic AI (Cognitive Robotics) solutions and expanded our Agentic AI capabilities in collaboration with hyperscalers and AI ecosystem partners. Our AI Labs have delivered over 1000 engagements for about 500 clients, supporting rapid prototyping and scaling of high-impact use cases.

This year also saw the launch of a deeper partnership with NVIDIA, OpenAI and AMD, among others. Our Agentic AI portfolio on the Google Marketplace has now crossed 300 solutions. We are the launch partner for Google for Gemini Enterprise, Agent-to-Agent Protocol (A2A) and Agent Development Kit (ADK). HCLTech expanded its Microsoft partnership to boost customer service with GenAI and Dynamics 365 Contact Center. We were recognized by Microsoft as a Responsible AI Partner and joined an ecosystem of trusted collaborators shaping the future of ethical AI. We were named to the 2025/26 Microsoft AI Business Solutions Inner Circle, placing HCLTech among the top 1% of Microsoft partners worldwide. We also joined the Microsoft Discovery platform, an advanced Agentic AI platform designed to accelerate scientific breakthroughs. HCLTech deepened its strategic partnership with AWS, advancing joint innovation, go-to-market execution and enterprise transformation. We launched the Physical AI Innovation Lab in Santa Clara, California, in collaboration with NVIDIA, to help enterprises explore, incubate and scale industry applications of Physical AI and Cognitive robotics.

As the first Global System Integrator (GSI) to partner with OpenAI, we are uniquely positioned to drive inorganic growth. Internally, we are transforming our operating model by embedding AI to decouple revenue growth from headcount, fostering an AI-fluent workforce capable of delivering high-scale solutions.

HCLTech won multiple awards in FY26, including CX Star Performer in ISG Star of Excellence™ for Microsoft AI & Cloud Ecosystem, IBM Innovation Leader 2025 award, Dell Global Alliances AI Partner of the Year 2025, Dell Acquisition Partner of the Year in EMEA, Winner of the Hybrid by Design category for the EMEA Region in IBM Think 2025, two Google Cloud Partner of the Year Awards - Industry Solutions Partner of the Year for Supply Chain and Logistics, Global Talent Development Partner of the Year, AWS Industry Partner of the Year - Financial Services and AWS GenAI Premier League Award 2025.

As we look ahead, HCLTech will continue evolving its portfolio across all segments — staying closely aligned with market trends and shifting client priorities. We are increasingly focusing on the era's most transformative opportunities— Physical AI, AI Factory, Agentic AI implementations, enterprise technology transformation and legacy modernization. Our deep expertise and robust ecosystem uniquely position us to lead these high-growth sectors. Underpinned by an unwavering commitment to innovation and excellence and driven by our ambition to be the world's best AI solutions company, we are confident in our ability to create enduring value for clients, partners and stakeholders alike.

Business Outlook

The global technology and IT services industry, representing a multi-trillion-dollar market, remains a foundational component of the 21st century global economy and is expected to sustain its long-term expansion trajectory. This outlook is underpinned by enterprises' increasing reliance on technology to drive business outcomes, resilience and competitive differentiation. Over the near to medium term, the macro environment is likely to remain dynamic, shaped by geopolitical volatility, inflation trends and moderate growth across major economies. Enterprise technology spending is expected to remain structurally resilient, as organizations balance cost discipline with the need to invest in transformation recognizing that deferring innovation poses both strategic and operational risks. Consequently, demand is expected to remain steady, albeit with evolving spending patterns across service lines.

The demand environment is currently being reshaped by high-conviction technology themes, most notably the rapid evolution of AI, which is being embedded across the entire technology value chain — applications, software, workflows and core business processes. The industry is transitioning from a phase of AI as a feature to AI as an autonomous actor, characterized by the progression from AI-assisted productivity tools toward task-specific agentic systems and orchestrated multi-agent workflows that are expected to materially reshape enterprise operating models. Emerging AI agents capable of autonomous decision-making, task execution and collaboration within defined guardrails are beginning to function as digital co-workers, unlocking new productivity frontiers and enabling more adaptive, real-time enterprise operations.
This shift is driving sustained demand for capabilities spanning data engineering, model development, agent orchestration, observability and AI governance and assurance. In addition, demand for Advanced AI is growing rapidly, including Physical AI—the integration of AI into robotics and edge intelligence, which is expanding the scope of technology services into industrial and operational domains, particularly within Engineering and R&D Services (ER&D).

In tandem with AI, cloud remains a key enabler of enterprise transformation. Increasing regulatory complexity and data sovereignty considerations are accelerating interest in sovereign cloud and sovereign AI architectures, particularly among governments and regulated industries. As AI adoption scales, infrastructure constraints are becoming a more central determinant of execution feasibility, including compute capacity availability, power limitations and regional build-out dynamics. These factors are creating emerging opportunities in the establishment, operation and management of AI infrastructure. At the same time, cybersecurity, digital engineering and ER&D services continue to see sustained demand, supported by increasing digitization, software-defined product development and regulatory complexity.

The IT industry is undergoing a structural shift toward non-linear, outcome-oriented delivery models, where growth is increasingly driven by platforms, intellectual property and AI-enabled services rather than linear headcount expansion. ER&D services are being reshaped by AI-led product engineering and software-defined capabilities, while the integration of AI into physical environments is further expanding the scope of technology services into industrial and operational domains. At the same time, scaling AI adoption introduces new considerations, including infrastructure constraints, data governance, regulatory requirements and the need for trust, transparency and auditability in AI-driven processes. As a result, enterprise clients are increasingly seeking partners capable of delivering full-stack solutions across the AI lifecycle from data and platforms to deployment, orchestration and governance.

Overall, HCLTech expects demand to remain resilient as the industry transitions from AI-disrupted to AI-native services, driven by ongoing modernization imperatives, AI-led transformation, cloud value optimization, cybersecurity needs and the expanding adoption of Advanced AI capabilities, including in physical and operational environments. In this operating context, sustained performance will depend on disciplined execution, alignment with areas where technology investment is accelerating and the ability to deliver measurable outcomes while meeting evolving governance and regulatory expectations. HCLTech believes that its strategic alignment with these high-conviction technology themes, combined with continued investment in AI-led service delivery, proprietary platforms, cybersecurity, Physical AI and full AI-stack capabilities spanning data foundations, model and agent engineering, cloud-to-edge deployment and lifecycle assurance positions it to address evolving client expectations and capture growth in areas where enterprise spending is increasingly concentrated.

Key Growth Vectors

HCLTech has identified several strategic growth vectors to capitalize on evolving market opportunities and to pursue its goal of becoming the world's best AI solutions company. These vectors reflect both the structural shifts reshaping enterprise technology demand and the distinctive capabilities we have built to address them. We continue to make progress across each of these key growth vectors, underpinned by focused investment, talent alignment and execution by leadership

Advanced AI as the enterprise intelligence layer

Our priority is to scale Advanced AI solutions as an IP led intelligence layer embedded across enterprise technology stacks, enabling clients to move from isolated pilots to outcome driven, enterprise wide AI adoption. Anchored in our Advanced AI offerings of Industry AI Solutions (IAIS), AI Engineering, Agentic AI, Physical AI, AI Factory, AI Advisory services and AI IPs, our portfolio integrates models, agents, data, software and secure infrastructure to orchestrate intelligent workflows across enterprise value chains, delivering measurable business outcomes.

Data Foundations Powering Scaled AI Adoption

Successful AI adoption depends on robust data foundations, including governance, quality and interoperability across data estates. We are modernizing client data environments to reliably operationalize AI capabilities across diverse business functions. This focus ensures that enterprise-grade AI deployment leads to consistent, repeatable value realization.

Next-Generation Cloud and Infrastructure Leadership

The company is reinforcing its leadership in infrastructure services through differentiated cloud modernization offerings focused on value realization, resilience and governance. As enterprises prioritize cost efficiency, sovereignty readiness and AI-enabled environments, HCLTech enables the creation of scalable and future-ready digital foundations. Cloud transformation continues to represent a significant opportunity, further amplified by AI adoption.

Service Transformation Driving Market expansion

Service transformation, when executed right will be a big growth driver for IT services as the industry is moving from labor-led, siloed models to integrated, technology-enabled, outcome-focused delivery. Providers are reshaping portfolios around AI-driven automation, cloud-native models, platforms and productized solutions to enhance efficiency and resilience. This shift is moving value creation toward outcome-based engagements while expanding addressable spend. For HCLTech, this transformation is a distinct growth vector, not merely a cost play. At its center is AI Force—a flagship GenAI platform spanning software development, data, IT operations and business processes—actively shaping new deal structures and client wins.

Pioneering Engineering-Led Growth: Semiconductors and Physical AI

We are pioneering an engineering-led transformation centered on two high-conviction growth vectors: Semiconductors and Physical AI. As AI-driven compute demand and silicon complexity fuel double-digit R&D growth, our end-to-end silicon engineering expertise uniquely positions us to capture surging ER&D outsourcing. Complementing this, our focus on Physical AI—integrating robotics and intelligent industrial systems—bridges the digital-physical divide. By embedding autonomy into real-world environments, we are extending our growth runway and delivering the scalable, adaptive systems essential for the next industrial era.

Platform-Centric Enterprise Modernization

HCLTech continues to strengthen its enterprise applications capabilities, with a strong focus on SAP-led transformations and broader platform modernization. Its partnership-driven approach, including migration factories, enables accelerated S/4HANA and cloud adoption while embedding AI into core systems. Platform transformation remains a durable growth driver as enterprises combine system modernization with AI enablement and process redesign.

Cybersecurity as a Strategic Growth Lever

The global cybersecurity services market continues to expand, driven by increasing threat complexity, regulatory requirements and the security implications of widespread AI adoption. AI is reshaping both sides of the equation — empowering threat actors with sophisticated, automated attack capabilities while simultaneously enabling faster, smarter defensive solutions. This dual dynamic creates a compounding demand cycle, where organizations must invest continuously in AI-resilient security architectures, presenting significant and sustained growth opportunities for capable service providers.

Building a Broad-Based Strategic Partner Ecosystem

HCLTech is consciously expanding its partner ecosystem beyond traditional OEMs and hyperscalers to capture emerging opportunities in an increasingly AI-driven market. By forging deep, strategic collaborations with industry leaders including OpenAI, NVIDIA, Microsoft, AWS and Google, alongside leading technology OEMs and ISVs, HCLTech gains privileged early access to frontier models and meaningful co-innovation opportunities. These partnerships amplify its solution capabilities and sharpen its ability to deliver differentiated value to clients.

Expanding Share Across Global 2000 and Emerging Enterprises

HCLTech is focused on expanding its client base across Global 2000 enterprises, their equivalents and emerging high-growth organizations. To accelerate growth in the mid-market, the company launched a focused initiative to sharpen its focus on this growing segment
By positioning itself as a preferred digital and AI transformation partner, the company aims to deepen strategic relationships, increase wallet share and capture incremental growth across both established and emerging enterprise segments.

Reimagining BPO with an Engineering-Led, AI-Driven Model

HCLTech is transforming Business Process Operations through an engineering-led, AI-driven approach that redefines traditional labor-intensive models. By leveraging AI/GenAI, automation and agentic workflows, the company is enabling significant efficiency gains and process optimization. AI-powered, platform-led BPO is expected to emerge as a key growth driver, supported by scalable, technology-driven delivery models.

Driving Growth Through Geographic Expansion

The company continues to strengthen its global footprint by expanding across high-potential geographies. Growth is being driven through a balanced portfolio of markets—comprising both large, steadily growing regions like Japan, Canada and Germany and smaller, high-velocity markets with strong future potential like India, Mexico, South Korea on top of our core well-penetrated markets like US, UK and Nordics. In continental Europe and ANZ, we have built consistent, compounding presence over the years — delivering stable, reliable growth.

Together, these key growth vectors form a coherent, mutually reinforcing strategic framework designed to guide HCLTech's investment priorities, capability development and go-to-market activities. Each vector is grounded in observable market demand, aligned with the company's established strengths and oriented toward delivering measurable outcomes for clients — outcomes that lead to creating sustainable, long-term value for shareholders. Growth is increasingly non-linear, driven by platforms, IP and AI-enabled services rather than headcount expansion. The company is committed to advancing these priorities with discipline and conviction, ensuring that HCLTech continues to strengthen its competitive position and extend the growth leadership it has sustained over the past several decades.

Medium-Term Strategic Objectives

Leadership through **differentiated services and products leveraging our engineering pedigree**	**Employer of choice for professional services talent** across chosen geographies	**Preferred digital and AI partner for Global 2000, equivalent and emerging** enterprises in chosen markets	**Weave ESG** (environmental, social and governance) into business strategy	**Continue to deliver top-quartile TSR** (total shareholder return) over the medium-term

HCLTech's medium-term strategic objectives articulate a clear, enterprise-wide ambition to drive sustained and profitable growth while reinforcing the company's position as a leading global technology services partner. As we continue to refine our market participation and enhance our AI-driven capabilities, we remain committed to our ambition of becoming the best AI solutions company. These objectives made public in FY22 serve as a precise yet flexible framework for coordinating investments, capabilities and execution at scale while maintaining strong operational discipline. They reflect our enduring focus on AI-powered innovation, operational excellence and the continuous development of our talent and technology capabilities, ensuring we consistently convert strategic intent into measurable business outcomes. Collectively, our medium-term strategic objectives translate our purpose into actionable priorities—forming a coherent strategy that drives sustained value creation for our clients, employees, communities and investors.

Strategic Objective 1

Leadership through **differentiated services and products** leveraging our engineering pedigree

This Strategic Objective anchors HCLTech's ability to differentiate through its engineering heritage, enabling the company to design and deliver high-value services and products in an increasingly complex technology landscape. It strengthens the company's ability to meet evolving client needs, drive innovation-led growth and create the foundation for all other strategic objectives to succeed — while generating lasting value for stakeholders over the long term.

A leadership position in technology today requires more than capability. It demands the ability to translate engineering depth into differentiated, outcome-driven solutions. Over the past few years, HCLTech has taken deliberate and concerted steps to reinforce its engineering-led differentiation in pursuit of this strategic objective. The company has scaled its digital and product engineering capabilities, deepened investments in cloud-native platforms, semiconductor and software services and expanded its IP and platform-led offerings to drive higher-value client outcomes. In parallel, HCLTech has systematically embedded AI across its services, HCLSoftware portfolio, delivery models and industry solutions, ensuring that its capabilities remain future-ready and competitively differentiated. The integration of acquired competencies has further strengthened the portfolio, while the expansion of ecosystem alliances — particularly with hyperscalers and strategic partners — has amplified the company's ability to deliver at scale. Together, these actions have enhanced service differentiation, supported clients' transformation agendas and contributed to diversified revenue streams across key markets and industry verticals, sustaining HCLTech's competitive positioning and driving long-term value creation for clients and stakeholders alike.

The rapid advancement of AI, accelerated by the emergence of generative AI towards the end of 2022, represents a structural inflection point for the industry. The emergence of large language models has fundamentally reshaped expectations across the enterprise technology landscape. HCLTech has treated this not as a disruption to navigate but as a structural opportunity to capture new market opportunities. To strengthen our leadership position, we continue to evolve our services and software portfolio by embedding AI and GenAI across offerings, developing industry-specific technology solutions, expanding ecosystem partnerships and acquiring specialized capabilities. We are proactively transforming existing services using AI while simultaneously building new service lines and opportunities enabled by emerging technologies. We have evolved our AI strategy toward an IP-led, platform-centric model, positioning HCLTech as the intelligence layer across enterprise technology stacks. This has resulted in the development of market-leading platforms like AI Force 2.0, VisionX 2.0, and IP-centric Industry AI Solutions that today provide us with a strong differentiation in the market. Our goal is to embed Advanced AI as a proprietary intelligence layer across enterprise technology stacks — moving clients beyond one-off pilots toward broad, outcome-focused AI deployment at scale.

HCLSoftware is pushing the boundaries of innovation by integrating Digital Sovereignty, Agentic Services and Data Intelligence across its XDO portfolio to help businesses thrive in an evolving market. By prioritizing Digital Sovereignty, HCLSoftware enables organizations to maintain full control and autonomy over their digital estates, including data residency and security, while meeting strict regulatory requirements. This is complemented by Agentic Service as a Platform (ASaP), which operationalizes Agentic AI as governed, reusable services that orchestrate systems with human oversight. Underpinning these is Data Intelligence, which accelerates value through trusted governance and AI-ready foundations, ultimately enhancing the speed and quality of enterprise decision-making.

We leverage acquisitions to add strategic value to our portfolio and enhance our market position. To strengthen our HCLSoftware portfolio, we acquired Wobby, an Antwerp-based startup specializing in AI data analyst bots. Through a natural language interface, Wobby's AI "Agents" allow users to query intricate databases and receive immediate, actionable insights. We also entered into an agreement to acquire Jaspersoft, a leader in embedded analytics. By integrating Zeenea, Wobby and Jaspersoft, we are evolving our capabilities from basic data foundations toward AI-driven visualization and self-service insights. Furthermore, the acquisition of Singapore-based Finergic enhances our financial services portfolio, adding specialized capabilities in core banking and wealth management transformation. In the telecom sector, we signed an agreement in FY26 to acquire the Telco Solutions Business from Hewlett Packard Enterprise (HPE). This strategic move builds on the momentum of our successful 2024 integration of HPE's Communications Technology Group (CTG), which is now delivering steady growth. With this deal, we are well-positioned as a systems integrator with a comprehensive telecom IP portfolio, unlocking access to significant global telecom engineering spend.

The increase in the number of global clients, C-suite references, consistent delivery of large-scale transformations, revenue growth and recognition from leading industry analyst firms—including Gartner, Forrester, IDC, Everest, Avasant, HFS, ISG and Zinnov—underscore our commitment to leadership through differentiated services and products. HCLTech is the only service provider rated as a "Customers' Choice" across all six published Gartner Peer Insights® Voice of the Customer assessments for IT services, reflecting our commitment to delivering high-quality, customer-centric and innovative solutions that enable our clients to achieve their business goals.

Differentiated services and products anchored in engineering excellence remain central to HCLTech's growth strategy. By combining engineering depth with AI-led innovation, software platforms and ecosystem collaboration, HCLTech is well positioned to capture emerging opportunities and drive sustained growth, resilience and leadership.

Strategic Objective 2

Employer of choice for professional services talent across chosen geographies

In a talent-intensive, AI-driven technology industry, our commitment to being an employer of choice is a strategic imperative — ensuring we attract, develop and retain the skilled professionals needed to deliver differentiated services and products, meet evolving client demands and drive consistent growth across all key global markets where we operate.

The IT services industry is at a structural inflection point. While productivity gains continue, the nature of work is fundamentally shifting toward AI engineering, data, domain-led consulting and platform-based delivery. Roles are evolving to emphasize higher-order problem solving, contextual decision-making and human-AI collaboration, even as employee expectations pivot toward continuous learning, career transparency, flexibility and purpose—driving a move away from traditional talent models to capability-based, agile and continuously learning organizations. But it does not undermine even to the smallest extent the need for any organization to have the best talent.

Over the past few years, HCLTech has strengthened its position as an employer of choice by systematically evolving its people strategy in line with these structural shifts. We have scaled both global and localized hiring, transitioned to a skills-based capability organization and institutionalized personalized learning and career progression frameworks, supported by an inclusive and high-performance culture. These investments have enhanced workforce resilience and enabled consistent, high-quality service delivery at scale across our key geographies.

A cornerstone of our approach is our capability-based operating model, which places skills at the center of all talent decisions. Fully embedded into our ERP and HCM systems, this model is now integral to our day-to-day operations, enabling precise alignment between business demand, workforce capabilities and future skill requirements. It provides a clear line of sight for every employee to build relevant capabilities and contributes to the creation of future-ready solutions and services aligned with our AI-led portfolio.

Technology also underpins how we manage the talent lifecycle itself. We have significantly advanced the use of AI within our people function. Talent Navigator, our AI-powered recruitment and readiness platform, is now operational globally, improving hiring quality, reducing time-to-hire and enabling greater talent mobility. MentorBOT, initially designed as a GenAI-powered virtual mentor to guide employees through workplace challenges, has evolved into a tool supporting managers in performance check-ins, strengthening the rigor and consistency of evaluations. These interventions, supported by advanced data science, have enhanced the effectiveness of key people programs and contributed to a more transparent and democratic workplace, particularly for a growing Gen Z workforce.

Continuous learning and large-scale reskilling remain critical enablers of our strategy. During the year, we evolved our AI training framework to a persona-based, offering-led model aimed at creating AI-augmented professionals across functions. This initiative has reached over **144,000+** unique employees, with approximately 63,000 individuals advancing through specialized proficiency levels and more than 11,000 attaining the substantial expertise required to drive AI use-case realization and accelerated delivery. Notably, our elite pool of over 700 Blackbelt-certified practitioners now directs end-to-end AI solutioning across both client-facing and corporate domains. This talent transformation is supported by an immersive ecosystem of hackathons, bootcamps and a dedicated framework and program set including capstones for grooming fresh talent into high-caliber AI engineers. In parallel, a distinct thread of our learning strategy is focused on equipping forward-deployed engineers, context engineers and client-facing functions with deep proficiency in HCLTech's proprietary platforms and offerings, including AI Force. Our overall learning approach combines internally curated and practitioner-mentored content with contributions from our hyperscaler partners, ensuring both contextual relevance and technical currency.

We have also reimagined our approach to early-career talent by introducing role-based specialization within entry-level cohorts, enabling differentiated career paths based on performance and potential. Our focus on personalized career development, enabled through initiatives such as MentorMe, TalentXchange and Aspire, ensures that employees across entry-level, lateral and rebadged cohorts are effectively managed and continuously developed.

This integrated approach to talent — combining skills, learning, mobility and employee experience — has enabled us to recruit and deploy talent at scale. The results of this sustained effort are visible in our metrics and external recognition. As of March 31, 2026, our team comprises 227,181 employees across 60 countries, representing 167 nationalities. Our IT services voluntary attrition rate stands at 12.5%, one of the lowest levels in the industry and we have been recognized as a Global Top Employer by the Top Employers Institute for four consecutive years, achieving top honors across the Americas, Europe and Asia Pacific — our three primary regions of operation.

Strategic Objective 3

Preferred digital and AI partner for Global 2000, equivalent and emerging enterprises in chosen markets

As the technology cycle shifts from the "digital transformation" era to an "AI-native" era, where intelligence is embedded directly into operations, products and decision-making, enterprises are focusing on how to create new business value rather than simply modernizing their technology landscape. Against this backdrop, HCLTech is transitioning from modular, point-led services to integrated, platform-driven, outcome-oriented transformation models, deepening its position as a trusted digital and AI partner. By systematically embedding AI across its delivery engine, the company is moving beyond traditional execution to assume a more strategic, value-creation role in client relationships. This evolution is enabling clients to realize tangible value from AI, reimagine core business processes, accelerate innovation and scale transformation with measurable impact — expanding engagement relevance and reinforcing long-term client stickiness.

Our strategic focus is to win and deepen relationships with Global 2000 and equivalent enterprises. These organizations represent the highest concentration of technology spend, the greatest structural complexity and the strongest potential for long-term partnership. In parallel, we are selectively expanding our presence among high-potential emerging enterprises in targeted geographies and verticals.

HCLTech's GTM organization is structured around industry verticals (financial services, manufacturing, life sciences and healthcare, technology and services, public services, retail and CPG and telecommunications) to better serve clients. Geographically, our markets are categorized as Core (large markets with a durable HCLTech base), Focus (significant tech spend with growing outsourcing) and New Frontier (fast-growing economies with rising digital spend). We also introduced a targeted initiative to deepen our strategic focus on the mid-market segment, a high-growth sector valued at over $400B. This disciplined targeting enables the company to pursue depth and scale concurrently, strengthening resilience and improving the quality of growth. HCLTech serves half of the G500, reflecting decades-long partnerships built on engineering excellence, reliability and the ability to deliver complex transformations at scale.

During the year, HCLTech expanded its large deal pipeline and progressed transformative engagements across key verticals, reinforcing its relevance as a strategic partner. Our revenue came from a healthy mix of clients across industry verticals and geographies. This fiscal, we recorded a total contract value (TCV) of $9,323 million in net new deal wins and reported our annualized Advanced AI revenue of $620 million. Account mining and client success frameworks continue to be strengthened to expand wallet share by identifying new value pools, while outcome-based contracting and shared-risk models continue to resonate in a macro environment where clients demand both agility and accountability.

HCLTech's services revenue **growth of 4.8%** had significant contributions from all major verticals

15% Technology and Services

7.5% Financial Services

Services revenue growth by geography

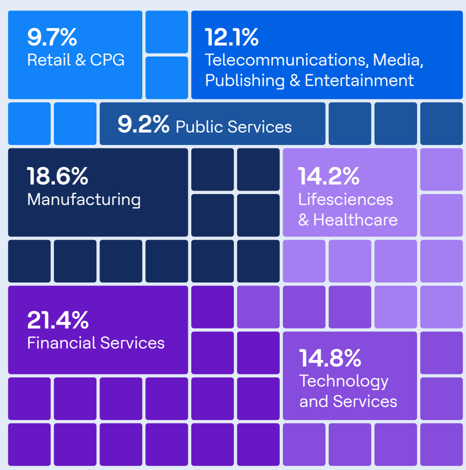
2.3%	**4.5%**	**5.7%**	**17.8%**
USA	Europe	India	ROW

YoY constant currency growth

Client mix by revenue contributions

Client category	FY25	FY26
$100 million+	22	23
$50 million+	52	60
$20 million+	138	149
$10 million+	251	277
$5 million+	399	429
$1 million+	948	976

FY26 contributions across verticals



Clients increasingly seek end-to-end solutions across cloud migration, data modernization, cybersecurity, intelligent automation, engineering, software and AI-led business transformation. HCLTech's integrated portfolio combining services with products and platforms and industry-aligned solutions supports enterprise-wide adoption, moving clients from experimentation to AI at scale. HCLTech is expanding its ability to serve Global Capability Centers (GCCs) through focused offerings that support the full GCC lifecycle — from set-up and scale to transformation into autonomous innovation hubs.

Strategic partnerships are central to HCLTech's ability to deliver differentiated value to clients. The company continues to strengthen its ecosystem of alliances with hyperscalers, enterprise technology providers and leading semiconductor companies, enabling clients to benefit from early access to emerging technologies and integrated best-of-breed solutions. Complementing these collaborations are HCLTech's AI Labs and innovation centers, which serve as collaborative environments where clients and partners can co-create solutions and accelerate the journey from proof-of-concept to enterprise-scale, production-ready deployments. Client experience sits at the heart of this strategic objective, driven by a dedicated team committed to delivering it. The Total Client Experience Index maintained its position in the top decile, reflecting sustained performance in customer satisfaction. Through our Client Advisory Boards, the CREST governance program and various other programs, we foster a culture of disciplined listening and continuous improvement — one that has earned HCLTech the distinction of being the only service provider rated as a "Customers' Choice" across all six published Gartner Peer Insights® Voice of the Customer assessments for IT services.

Furthermore, we continue to strengthen our go to market organization and expand our sales presence to enhance client coverage, improve market participation and amplify our brand engagement with advisors and analysts. These efforts support the creation of a diversified, strategically significant client base and underpin sustainable, long term growth.

Strategic Objective 4

Weave ESG (environmental, social and governance) into business strategy

ESG is central to how HCLTech creates long term value, shaping innovation for clients, responsible resource stewardship and trust with stakeholders. Guided by our Act, Pact, Impact philosophy, we have moved from project based efforts to an institutional, process led model that ensures our sustainability performance is predictable, auditable and scalable.

In FY26, we strengthened the integration of ESG across the organization by embedding sustainability considerations directly into the operating rhythms of Finance, Procurement, CSR, Global Workplace Services, Legal, Risk & Compliance and Controllership. This collaboration enabled a unified reporting model supported by a refined SOP, a centrally-governed repository and an enterprise aligned annual disclosure calendar reflecting the deeper embedding of ESG into business execution.

Our governance upgrades were complemented by deliberate policy improvements and a continuous improvement loop after major submissions. We completed SBTi validation of our near-term and long-term targets, reinforcing net-zero credibility and sharpening execution focus. Regular gap assessments and peer benchmarking have been built into the annual cycle to ensure that lessons convert quickly into next-cycle actions. With record ESG ratings across S&P CSA, EcoVadis Gold and LSEG ESG and validation of our near term and long term SBTi targets, we have strengthened the foundation for sustained leadership. As we look ahead, embedding ESG deeper into decision making and value creation will continue to propel HCLTech toward becoming an industry benchmark in sustainability and transparency.

HCLTech embeds corporate social responsibility (CSR) at the heart of its business, advancing socioeconomic and environmental progress while aligning with the United Nations' Sustainable Development Goals (SDGs). Our global CSR policy centers on the environment, health, education and disaster risk reduction and response. HCLFoundation has driven our CSR efforts in India, investing over $215 million to date to impact more than 8.4 million lives positively. By building ecosystems of impact, our initiatives have made a significant mark on the global landscape, supporting multiple social initiatives worldwide. HCLTech's commitment to climate action extends to the Americas, where Osa Conservation (Costa Rica) emerged as the recipient of the second edition HCLTech Grant for Climate Action (Americas). In the third edition too, the initiative has received a highly encouraging response. Through this grant, HCLTech has committed $5 million over five years to support NGOs dedicated to combating climate change and restoring ecosystems and biodiversity across the Americas region.

To cater to our clients' needs better, we have strategically aligned our sustainability offerings to address growing enterprise demand for measurable, technology-enabled

ESG outcomes. Our portfolio spans Sustainable Product Engineering, Sustainable Operations and Supply Chain, Energy Transition and Electrification, Sustainable IT and Sustainable Finance, enabling clients to embed sustainability across the full value chain, from design and engineering through operations and IT. We are also developing meaningful partnerships. For instance, we forged a strategic partnership with Dolphin Semiconductor to co-develop energy-efficient chips for IoT and data center applications, integrating low-power semiconductor IP into HCLTech's SoC design.

Targeted capability investments continue to enhance our ESG-led propositions, allowing us to deliver industry-leading solutions recognized by prominent analysts on many fronts. Our ESG-driven approach reflects the strength and maturity of our sustainable engineering capabilities and our commitment to supporting clients as they navigate the growing demand for sustainability and innovation.

Strategic Objective 5

Continue to **deliver top-quartile TSR** (total shareholder return) over the medium-term

The trust of our investors has cemented HCLTech's place as one of the largest IT services companies globally by market capitalization. HCLTech has consistently delivered top-quartile TSR over the past decade and is committed to long-term value creation.

The IT services industry has periodically experienced phases of heightened scrutiny with new technological advancements and investor concerns now at the start of the AI cycle are no different. At HCLTech, we view this as the emergence of new spending vectors, even as this cycle selectively disrupts certain existing technology and service areas. We have sharpened our capabilities and GTM investments to capitalize on this new business cycle. Our entrepreneurial DNA has always enabled us to constantly innovate and thrive across multiple technology cycles and we are confident that our engineering heritage will nurture our growth leadership as we embrace the AI revolution.

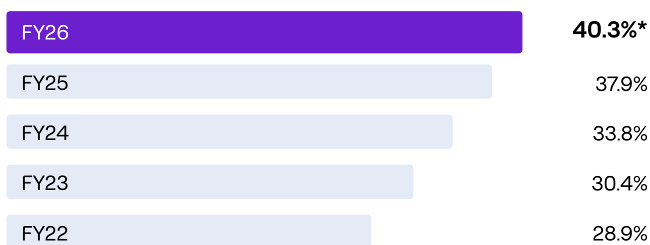
Delivering top-quartile TSR requires a holistic and balanced approach, anchored in five reinforcing pillars.

First, at the foundation of top-quartile TSR is organic growth. HCLTech continues to deliver industry-leading growth through differentiated offerings in structurally attractive markets, underpinned by deep client relationships. Our portfolio is becoming increasingly balanced compared to a few years ago. This is a result of our strengthened leadership in Digital Business, Engineering and R&D services, Software, Cloud and AI offerings. We have significantly strengthened our portfolio with AI-led transformational propositions, complemented by a suite of Advanced AI offerings spanning AI Factory, Physical AI, Custom Silicon Chip Design for AI Inferencing, Marketing as a Service and IP and Industry AI solutions, enabling us to capture new and emerging market spend. This expands our addressable market, deepens wallet share across Global 2000 and equivalent clients, improves large deal win rates and directly supports sustained TSR. FY26 marked strong, broad-based momentum, with new deal wins of $9.3 billion in Total Contract Value (TCV), reinforcing the strength of our all-weather portfolio. Over the past decade, we have achieved a constant-currency revenue CAGR of 9.3%, consistently outperforming the industry peers.

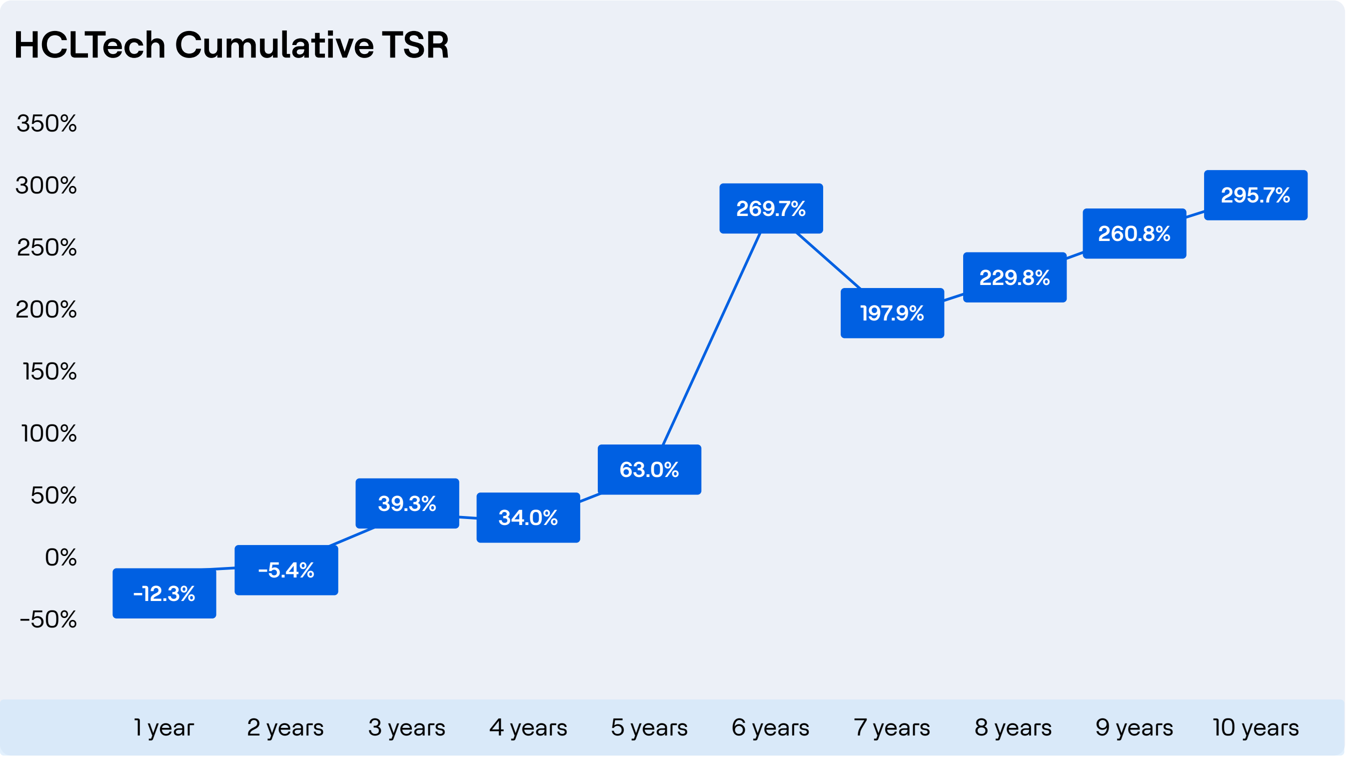
Second, with respect to margin resilience. This year we executed a restructuring program that has a one-time impact on our profitability but has given us the structural agility to address the market demand in the AI era. Our cost-efficiency program, Project Ascend, continues to fund our investments in Sales and Marketing and AI capabilities. Additionally, our AI offerings serve as force multipliers for enhancing productivity, improving talent leverage and accelerating time-to-value.

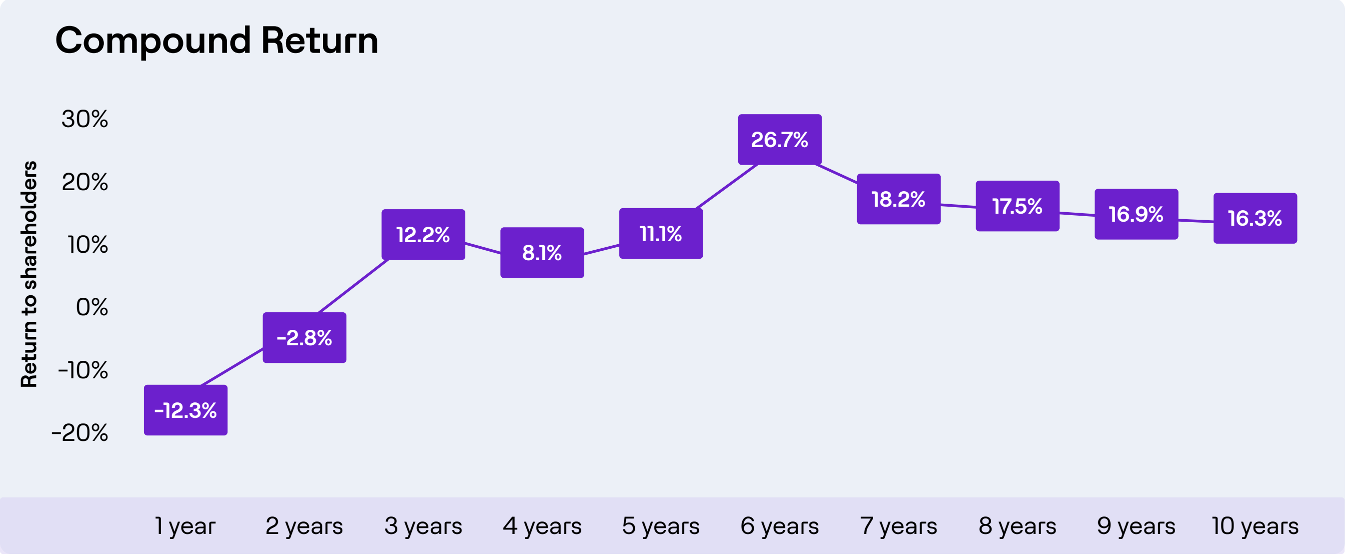
The result is a structurally efficient cost base and consistent margin performance, even in a dynamic environment. In FY26, EBIT* and Net income reached $2,526 million and $1,877 million. Margin discipline remains central to our TSR philosophy, ensuring that growth translates into high-quality, profitable earnings.

ROIC (In %)



*ROIC of FY26 excludes one-time New Labour Codes impact





Third, a core driver of TSR is our ability to consistently convert earnings into strong, reliable free cash flows (FCF). HCLTech's asset-light model, disciplined working capital management and operational efficiency enable robust cash conversion, with an industry-leading average FCF-to-net income conversion of 119% over the past five years.

Fourth, we prioritize investments that enhance competitiveness including organic R&D, deliberate investments in AI and next-generation technologies, proprietary platforms and selective, capability-led acquisitions while maintaining a robust balance sheet. This value-focused approach ensures continued investment in next-generation technologies that drive sustainable, high-quality growth. In FY26, ROIC* stood at 40.3%, improving by 235 basis points year-on-year, with HCLTech Services and HCLSoftware delivering ROIC of 47.0% and 22.6%, respectively.

Fifth, consistent shareholder returns. The Board's commitment to return at least 75% of net income to investors across FY22–FY26 resulted in payout ratios of 93.4% and 87.8% in FY25 and FY26, respectively a record of consistency that sustains long-term investor confidence and TSR durability.

HCLTech upholds high standards of corporate governance, supported by proactive investor engagement and clear communication of strategy, performance metrics and long-term priorities—reinforcing market trust and valuation resilience.

Our commitment to growth, profitability, cash generation, return ratios, prudent capital use and strong governance will help us continue to deliver top-quartile TSR.

**EBIT Margin and ROIC of FY26 exclude one-time New Labour Codes impact of $109M*

Risk Management

The global operating environment continues to evolve with unprecedented speed and complexity, shaped by intensifying geopolitical tensions, uneven economic recovery, persistent inflationary pressures, climate driven disruptions and accelerating technological shifts.

There is a marked rise in interstate conflict, regulatory fragmentation, supply chain fragility and energy volatility, even as rapid advancements in AI and emerging technologies introduce new dimensions of cyber, data and ethical risk. At the same time, structural talent shortages, shifting consumption models and the proliferation of misinformation are reshaping industry dynamics and stakeholder expectations.

These macro structural shifts are increasingly intersecting with technology-led transformation, amplifying both disruption and risk across business models and delivery paradigms. Rapid AI-driven disruption threatens competitiveness through margin compression, talent obsolescence, unsafe AI deployment and accelerated client insourcing. These risks are amplified by rapid shifts in client expectations and AI-driven productivity baselines, which can quickly obsolete traditional IT services offerings. These underscore the need for investments in AI/GenAI platforms, faster IP/platform monetization, co-innovation, development of skills at scale and Responsible AI governance program.

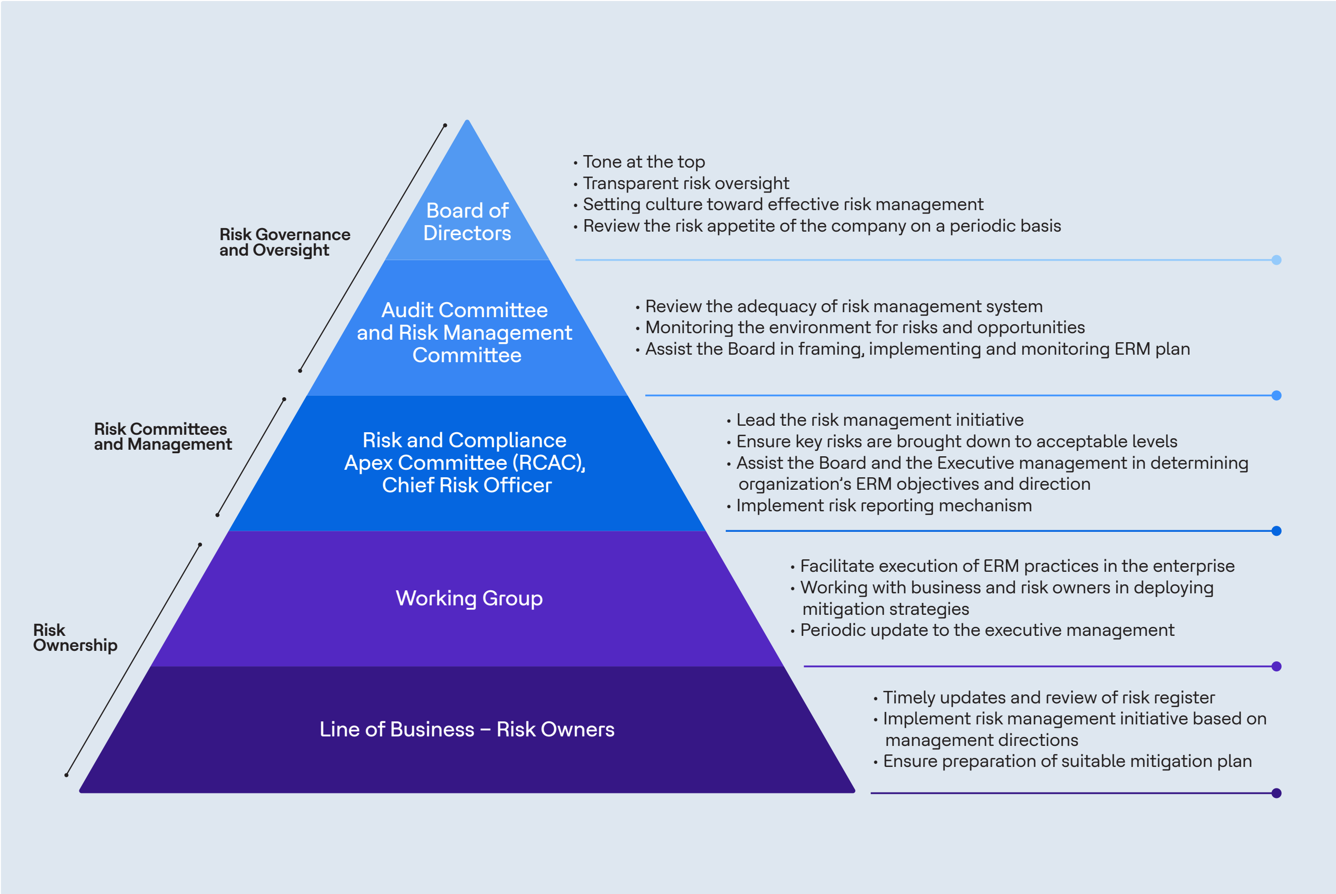
Against this backdrop, HCLTech's risk posture is influenced by a confluence of macro-level uncertainties that have become more interconnected, faster in onset and broader in business impact. These developments reinforce the importance of our comprehensive, intelligence-led Enterprise Risk Management framework — grounded in ISO 31000:2018 and the COSO ERM Integrated Framework — and our institutionalized PESTLE-based early warning mechanisms, which together enable us to anticipate emerging risks, build enterprise resilience and safeguard long-term value creation for our stakeholders.

Risk Governance and Oversight

Our risk management organization integrates risk management practices seamlessly with our business strategy and operations:

- **Leadership and Framework**: The Board of Directors and the Risk Management/Audit Committee lead the Risk Governance and Oversight function. They are pivotal in framing and reviewing our ERM policy and identifying and assessing HCLTech's key business risks.
- **Shared Responsibility:** Senior executives and employees collectively bear responsibility for risk management. The ERM initiative is driven by the Risk and Compliance Apex Committee (RCAC), the Chief Risk Officer, a dedicated working group and designated risk owners across the organization.
- **Role of Risk Owners:** Usually senior executives from a line of business (LOB) or corporate function, risk owners are responsible for mitigating specific risks. They implement mitigation strategies, coordinate risk management activities across their LOBs, functions and geographies and ensure efficient information flow to the working group.

Risk Governance Structure



HCLTech's Risk Universe

HCLTech classifies its risk universe into five principal categories: Strategic, Financial, Cyber and Resilience, Operational and Governance and Compliance, as depicted in the accompanying graphic. Below, we discuss the primary risks within each category along with their respective mitigation measures.

Strategic Risks

Primary risk	Details	Mitigation
Business model	HCLTech operates in a fast-paced industry with rapid innovation in tech offerings. Inability to keep pace with evolving client expectations, including the transition to outcome based and AI driven consumption models, attract high quality talent, or adapt operating models could negatively affect business growth. Moreover, emerging technologies such as AI present both disruption risks to existing service models and opportunities to introduce new offerings and solutions.	• HCLTech mitigates the risk of business model disruption through a structured approach of sensing and responding to changes in client demand, delivery models and technology adoption, enabling continuous alignment with evolving market expectations including the transition toward outcome based engagement and AI driven consumption models. • Our strategy office leverages a custom developed Strategic Risk & Opportunity Management (SROM) framework that scans thousands of market signals and identifies risks and opportunities well ahead of time. Such signals are evaluated for their strength, scope of impact, time horizon to impact etc. and are then planned through a strategic planning process and enabled for execution. Over the past few years, several key strategic initiatives have emanated from this framework including key initiatives related to AI led disruption and opportunities.
AI/GenAI	The development and deployment of AI services and solutions present substantial risks, including the potential loss of market leadership if advancements are not maintained. Competition is fierce, with clients creating their own AI capabilities, leading to reduced demand for professional services. As AI technologies evolve, AI native delivery models and automation led services will replace some tasks currently performed by humans, decreasing the need for certain services and affecting professional utilization rates and pricing power. Additionally, shortages of AI-skilled talent, rising costs associated with hiring and retaining specialized AI SMEs and inefficiencies in integrating AI into existing workflows further amplify risks.	• We started our AI journey early, giving us a significant head start and allowing us to provide valuable AI solutions to our clients. Our practical portfolio of platforms, services and products helps clients quickly achieve their AI goals. By incorporating AI, GenAI and Agentic AI into our offerings, we drive innovation to keep clients competitive in an ever-changing market. We are committed to making substantial investments to expand our AI solutions and delivery capabilities, so that we continue to remain the preferred partner for our clients. Additionally, we are implementing strategic initiatives like investing in AI/GenAI-powered Industry AI Solutions (IAIS) and collaborating with firms specializing in AI to fully harness AI's potential and strengthen our market leadership. • Recognizing the importance of skills development, the company has initiated comprehensive multi-level training programs to enhance AI literacy across the organization and train specialists in the design, development and implementation of AI systems. It includes the rollout of Responsible AI training programs available to all employees, enabling our global workforce to understand foundational concepts, ethical considerations and governance expectations. This aims to address talent shortages, control costs and ensure that professionals are trained in high-demand areas.

Primary risk	Details	Mitigation
AI/GenAI	The implementation of AI/GenAI applications presents both opportunities and risks. Potential risks include concerns related to bias, privacy, security, explainability and transparency. These applications can be used to process a vast amount of organizational data and may generate new data. In some cases, data may be inaccurate or imbalanced for underrepresented groups, be of inferior quality or lead to unauthorized access and loss. The output produced by AI can contain inaccuracies, compliance violations, copyright issues and breaches of contract that may result in harm to the organization and its stakeholders. Additionally, there is a concern that bad actors could use this technology to create convincing deepfakes of company representatives or brand assets, which could result in significant reputational harm.	• HCLTech has established an Office of Responsible AI and Governance (ORAIG) led by SMEs with experience in NIST frameworks, Europe AI Act, ISO, Risk and Compliance, ethics and bias mitigation. ORAIG's organizational model bridges internal Responsible AI practices and client solutions, ensuring that real world insights and learnings inform the design and delivery of client AI programs. • HCLTech established an AI Ethics Committee, a cross-functional advisory body that helps align AI initiatives with the company's values and regulatory obligations. It is composed of a diverse group of senior representatives from the Office of Responsible AI and Governance, Cybersecurity, Privacy, Data Governance, IP, Compliance, Legal, Business Unit and Delivery Excellence teams. This multi-disciplinary structure strengthens ethical oversight and advances our commitment to transparent, accountable and responsible AI practices. • HCLTech has signed the EU AI Pact, reinforcing our commitment to safe, transparent and human-centered AI and aligning proactively with the principles of the upcoming EU AI Act. • HCLTech achieved the Responsible AI Institute's Organizational AI Governance Verification Badge. This Organizational AI Governance Verification Badge validates an organization's comprehensive implementation of RAI practices across five domains: People and Training, Policy and Governance, Tools and Processes, Procurement and Leadership. • Recognition by Ethisphere as one of the World's Most Ethical Companies shows our commitment towards integrity and transparency and validates that it is a core part of our DNA. • HCLTech has been recognized by Microsoft as a Responsible AI Partner, an ecosystem of trusted collaborators shaping the future of ethical AI. This citation validates that our AI offerings meet high standards of responsibility and security, are built with robust guardrails and enable compliance, reduce bias and enhance explainability. • HCLTech is a member of Singapore's AI Verify Foundation, actively contributing to the development of the world's first open-source framework for testing and validating AI systems.

Primary risk	Details	Mitigation
AI/GenAI		• HCLTech has developed an enterprise-level strategy and AI Risk Management Framework, integrating best practices from global standards and guidelines, including the EU AI Act, NIST AS RMF and ISO/IEC 42001 and emphasizing self-regulation and adherence to Responsible AI principles. Key components of the framework include: – Addressing potential strategic business risks and outlining mitigation measures – Establishing a robust governance framework around AI/GenAI that enables responsible and ethical use of technology. – Enabling a seamless linkage between the AI development lifecycle and the AI Risk Management lifecycle – Crafting a detailed adoption roadmap for the framework • Providing clear usage guidelines for stakeholders
Portfolio concentration	HCLTech recognizes the risks associated with being concentrated in certain business segments, industry sectors and geographic regions. Any negative event impacting these areas could have a material impact on the company's performance.	• We have been ahead by diversifying into software from services and further now into services as software propositions. • As a best practice, we assess our portfolio for concentration risk at regular intervals on various dimensions. We use diversification as one of the key tools to mitigate risk and propel growth. Our recent expansion across geographies, offerings, industry verticals and client segments has been driven by this approach. • We try to maintain a healthy balance and avoid over-dependency across dimensions like verticals, clients, geographies and business segments. For example, our client base and revenue share across verticals are well spread. Top twenty clients contribute around 28.5% of our revenue and we have 976 clients each offering over $1M. Many of these clients are G2000 or equivalent, giving us the opportunity to expand wallet share and mitigate concentration risk. We have reduced regional dependency by expanding into new geographies and have strategically strengthened and diversified our offerings, including our Software portfolio and AI-led services, positioning the Company at the forefront of the next wave of technology adoption.

Primary risk	Details	Mitigation
Business delivery	HCLTech faces risks from constraints on service delivery due to technological limitations, pandemics, geopolitical developments and the lack of talent availability. Any of these factors can adversely impact the company.	• HCLTech mitigates business delivery risks through a resilient and distributed global delivery model, continuously monitoring the technology landscape and collaborating with advisors, clients, partners and governments to ensure continuity across diverse operating environments. • We mitigate business delivery risks through our AI-led delivery model, enhancing resilience, scalability and continuity by embedding AI and automation into service delivery. We leverage our COEs, internal innovation platforms, subject matter experts, practice teams and ecosystem partnerships to overcome technology-related delivery challenges. • We continue to expand our New Vistas (NV) and nearshore presence to access the best talent and develop service-delivery resilience.
Competition	HCLTech operates in a fiercely competitive market with various companies vying for the same clients. Additionally, we face competition from management consulting, advisory firms and GCCs (Global Capability Centers) that are emerging as strong players. This increased competition could cause us to lose clients, market share and wallet share.	• The most efficient service providers will continue to do well in this competitive yet large market. Diverse and differentiated AI offerings, execution and client satisfaction will be critical parameters for becoming enterprises' preferred partners. • HCLTech's dedication to nurturing client relationships is reflected in our consistently high CSAT scores—which remain well above the industry average year after year—and our status as the only service provider rated as a "Customers' Choice" across all six published Gartner Peer Insights® Voice of the Customer assessments for IT services. These achievements underscore our all-weather portfolio, our ability to adapt to contemporary trends and technologies to meet evolving client needs and our impeccable execution. • HCLTech adopts a flexible competition strategy by exploring mutually beneficial partnerships and alliances where permitted. We perceive these challenges as opportunities and have consistently monitored and adapted to them over the years including GCCs. Our dedicated GCC offerings support clients end to end, enabling setup, scaling and the evolution of centers into self sustaining innovation hubs.

Primary risk	Details	Mitigation
Brand and corporate reputation	HCLTech has a global footprint across sixty countries. The company is exposed to brand and corporate reputation risks through negative or inaccurate media reports and social media posts by internal and external stakeholders. The inability to track and respond in time to any potential negative or speculative communication can harm HCLTech's corporate reputation among key stakeholders such as clients, employees, investors and partners. This could lead to a loss of business from clients and inability to attract top talent.	• The company partners with leading reputation management agencies and has deployed advanced digital tools to proactively track mainstream and social media channels to monitor media coverage and social media conversations relating to HCLTech. The digital monitoring tools deployed by HCLTech also track AI-generated misinformation or deepfake content, enabling the company to plan timely response and mitigation measures. • A social media policy is also available to employees on social media Do's and Don'ts and these are reinforced to employees through internal communication channels. • The company has implemented a robust crisis communications management framework to respond to any potential crisis across its footprint and beyond. HCLTech has appointed a specialist crisis communications agency on record to enable it to respond to any crisis 24/7. The agency regularly updates HCLTech on global best practices in crisis communications to strengthen processes and preparedness. It also conducts simulation exercises for crisis communication with key stakeholders within the organization. • The company undertakes annual brand audits to measure brand health and perception among key stakeholders.

Financial Risks

Primary risk	Details	Mitigation
Default or credit	HCLTech's credit risk is concentrated in cash and bank balances, intercorporate deposits, customer receivables, finance lease receivables, investment securities and derivative instruments. All financial instruments mentioned above carry a risk of nonperformance by counterparties.	• During the pre-contracting stage of the sales cycle, HCLTech assesses the clients' credit rating and financial reliability when investments or extended payment terms are involved. • In the post-contracting stage, we continuously monitor our clients' resilience by tracking and analyzing their financial reliability, financial performance, published credit ratings, economic trends, historical debts and customer receivables. This continuous monitoring process significantly helps mitigate credit risks for the company. Also, on time-to-time basis, company makes a portfolio for AR sales which includes mix of low rating and high rating clients.

Primary risk	Details	Mitigation
Currency	HCLTech generates most of its revenue from clients outside of India and receives payments primarily in foreign currencies. The company's clients are primarily corporations based in the US, Europe and other geos and its receivables are concentrated here. Similarly, as HCLTech has delivery teams based in various countries, most of its costs are also denominated in foreign currencies. This situation puts HCLTech at risk of economic loss due to changes in exchange rates.	• HCLTech uses foreign exchange forward contracts and a combination of options to mitigate the risk of foreign currency fluctuations on its net receivables/ payables and forecasted transactions in certain currencies. • The company's Board establishes prudent governing policies and processes that determine the duration of hedges, the percentage of risk to be covered and the counterparty risk to be assumed.
Acquisition and integration	HCLTech makes strategic acquisitions on an ongoing basis. The success of these acquisitions hinges on effective integration and synergy realization. Internal factors, as well as external factors beyond our control, can also play a role. These factors may include the risk of impairing goodwill, failed synergies and other intangibles if integration is not managed effectively. Additionally, a lack of integration process can limit the ability to capture synergy benefits.	• Our governance program includes a robust mechanism to ensure regular reviews at multiple stages, starting from the deal stage to integration, with participation from Line of Business leadership to Executive Management to the Board of Directors, to address issues effectively. • HCLTech's robust integration and performance management framework enables the acquired businesses and HCLTech to achieve the acquisition objectives. Our Integration and Performance Management Office (IPMO) manages the integration process and ensures value creation. The Company has implemented a robust Post Acquisition Risk Assessment (PARA) program to assess and manage the risks of acquired entities.
Tax	HCLTech is subject to taxes in several jurisdictions worldwide and benefits from tax advantages in India and other countries. Changes to tax laws in India and other countries where HCLTech has a significant presence could impact the company's effective tax rate. As HCLTech operates in multiple jurisdictions, transfer pricing arrangements among legal entities in these regions are subject to review by various tax authorities.	• HCLTech employs specialized tax teams that keep abreast of the latest tax developments in different countries, seek advice and support from external professional firms/consultants/lawyers and implement appropriate tax planning strategies based on changes in tax laws. • To mitigate tax risks associated with transfer pricing, we have established advance pricing agreements in several countries and periodically review them with external consultants.

Operational Risks

Primary risk	Details	Mitigation
Talent management and development	Managing talent and meeting the ever-increasing demand for talent poses a significant ongoing risk to HCLTech. An inability to meet resource demands in a timely manner could hinder top-line growth and limit organizational scale. Acute shortages and sustained wage inflation — particularly in AI, cybersecurity and cloud — continue to challenge delivery resilience, margin stability and long-term competitive positioning. Furthermore, the risk of higher attrition rates could equally affect delivery capability and growth plans. Additionally, legislative changes restricting work visa availability and deglobalization could have a further impact.	• HCLTech has developed a robust process for hiring and making talent productive worldwide. Our comprehensive training strategy is designed to meet the growing needs and goals of all employees, encompassing professional, technical, niche skills, functional and leadership development. This approach is crucial for mitigating the risk of an unprepared leadership pipeline due to insufficient development and succession planning. • We have implemented various initiatives to attract, engage and retain a stable, content and diverse multi-generational employee pool. • To mitigate the potential effects of legislative actions, we have thoughtfully reduced our reliance on work visas by recruiting more local talent. This approach has led to one of the industry's highest local talent ratios. Furthermore, leveraging nearshore centers and focusing on onshore delivery has minimized our dependency on work visas.
Service delivery commitments	HCLTech recognizes the risk of failing to comply with terms and conditions, including meeting contractual commitments and service level agreements (SLAs) with its clients. This is considered a significant enterprise risk, emphasizing the need to effectively identify, monitor and report on SLAs to relevant stakeholders. The COVID-19 pandemic, geopolitical dynamics, various conflicts and related events have highlighted the disruptions resulting from supply-side shortages and logistics-capacity constraints. Moreover, energy volatility, while indirect in nature, carry material consequences for cloud infrastructure, data centers, network operations and hardware-dependent programs.	• HCLTech employs an integrated business planning and execution process in which the sales and delivery teams regularly engage with clients to ensure seamless execution of engagements within SLAs. The company has a robust cadence mechanism, CREST, with extensive leadership participation to identify and address any issues ahead of time. We also use account customer satisfaction (ACSAT) at an account level and project customer satisfaction (PCSAT) at the project level to mitigate the risk of failure to meet service delivery commitments. • We have implemented a robust vendor risk management framework to minimize the potential business impact to us and our clients arising from breaches and liabilities that may occur when leveraging third or fourth parties (vendors, suppliers, contractors, or service providers).

Primary risk	Details	Mitigation
Cost management	HCLTech recognizes effective cost management as a crucial aspect of our operations, particularly during periods of higher inflation. Poor budget planning, inaccurate cost estimation and external factors such as rising costs of talent and other resources can all contribute to the risk of cost overruns.	• HCLTech's control processes include regular benchmarking and delivery model optimization to maintain cost competitiveness and improve operational efficiencies. We also have a seamless view of demand and supply to ensure any genuine cost increases due to external factors are passed on to clients through adjustments in pricing structure.
Internal controls and processes	Lack of processes or poorly designed processes and controls in HCLTech can lead to operational inefficiency and impact business.	• HCLTech maintains a comprehensive array of robust internal frameworks and processes, which are subject to extensive monitoring to assess their efficacy. In addition, we also conduct regular audits to ensure both the quality of our processes and compliance with the required standards.
Operational agility	HCLTech faces a fundamental risk if it is not operationally agile. This means it may not be able to respond and adapt to changing market conditions or meet various stakeholder preferences, including clients, employees and the community. Slow adoption of AI enabled processes and operating model transformation may further weaken competitiveness. This lack of agility could result in significant financial losses and negatively impact the company's brand.	• HCLTech has established strong internal processes and an efficient operating model to ensure resilience and sustained operational agility. Our Ideapreneurship led culture empowers leaders and managers to respond swiftly to evolving market conditions while remaining aligned with our strategic priorities. To address risks arising from delayed AI adoption, we have been systematically embedding AI enabled processes and operating model enhancements across the organization, supported by a well trained workforce. This disciplined approach enables faster execution, improved efficiency and sustained competitiveness while protecting financial performance and brand equity.

Primary risk	Details	Mitigation
Ecosystem	Today's business world is ecosystem-driven. HCLTech works with its ecosystem partners to drive innovation, build new offerings and co-innovate to solve client challenges. Services and solutions provided in conjunction with ecosystem partners contribute a sizable portion of HCLTech's revenue. Failing to build and manage relevant ecosystem partnerships may impact attracting and catering to Global 2000, equivalent and emerging enterprises.	• HCLTech has excelled in creating and managing ecosystem partnerships for decades. We have a dedicated team that sees this as a business opportunity. • HCLTech maintains good relationships with current ecosystem partners and, through a systematic approach, identifies and forges partnerships with emerging players to stay relevant. • HCLTech has established a strong, partner-centric AI ecosystem, collaborating with industry leaders to accelerate enterprise AI adoption. • HCLTech, with its vast ecosystem of partners, provides its clients the flexibility to choose from multiple options. For example, HCLTech has partnerships with multiple hyperscalers, OEMs and AI leaders like OpenAI, NVIDIA and more.

Cyber and Resilience Risks

Primary risk	Details	Mitigation
Information and cybersecurity	As a global IT services provider, HCLTech faces significant information and cybersecurity risks, particularly regarding client and company data protection. The risk of data breaches due to inadvertence, negligence and intentional acts of employees can have a significant negative impact on HCLTech's business and brand. Given increasing threat sophistication and interconnected client environments, a major cybersecurity incident could result in multi client contagion, regulatory scrutiny, SLA breaches and rapid reputational and revenue impact.	• HCLTech has implemented a robust and comprehensive Information Security Management System (ISMS) to ensure the highest order of cyber preparedness across the company. • HCLTech's Information and Cybersecurity policies are based on industry's best practices and leading cyber security frameworks. Security controls are continuously reinforced to ensure confidentiality, integrity and availability of information assets. Continuous awareness and governance oversight are in place to reinforce employee accountability and safeguard client and company data. Employee focused programs like phishing simulations are undertaken to ensure employees are up to date with the latest security practices and can detect and report any phishing attempts. • We have onboarded qualified cybersecurity professionals and invested in advanced cybersecurity technologies to strengthen our defense capabilities. The organization maintains a strong security posture through layered preventive, detective and corrective controls. In addition to periodic internal and external audits, we conduct annual cybersecurity assessments and offensive security exercises to evaluate our preparedness and resilience against evolving threats. These measures ensure that risks are proactively identified, assessed and effectively governed through well-defined mitigation strategies.

Primary risk	Details	Mitigation
Information and cybersecurity		• We have obtained third-party certifications such as ISO 27001, SOC1, SOC2 and PCI DSS where required to demonstrate our commitment to cybersecurity. • Advances in AI are reshaping both cyber defense and cyber-attacks — and HCLTech is responding with deep modernization, AI powered security platforms and strategic ecosystem partnerships. • HCLTech has cyber insurance that covers different types of breaches and cyber events.
Business continuity	HCLTech's reputation as a leading technology company depends on its resilience to disruptions and ability to adapt to a complex and rapidly changing global risk landscape. Business continuity is critical to our ability to deliver services to clients. Failure to meet contractual continuity requirements due to a lack of preparedness can negatively impact an organization's ability to provide uninterrupted service.	• Our business continuity program collaborates seamlessly with our crisis response system, guaranteeing a swift and efficient reaction to any disruptive occurrence arising from human actions or natural causes that could potentially affect our business operations. • As a forward-looking organization, we continuously enhance our business continuity and crisis management initiatives to boost preparedness and adapt to the constantly evolving threat landscape. Resilience is an integral part of our operations and we are always working toward embedding it across all aspects of the organization, including work, workforce, workplace, business operations, technology, supply chain and leadership.
Geopolitical	HCLTech faces significant risks from international political events, including wars, trade disputes, sanctions, political instability and social unrest. These factors can disrupt our operations, trigger demand shocks, impact our security posture and workforce, affect supply chains, influence market access and ultimately diminish profitability in regions where HCLTech operates. Future global economic or political uncertainties could further impact IT spending, decrease profitability, limit talent mobility, lead to contract terminations, project deferrals and client purchase delays. Additionally, increasing regulatory mandates around the localization of data, talent and service delivery further heighten risk. These uncertainties might also affect the industries contributing significantly to HCLTech's revenue. Moreover, heightened geopolitical tensions among major economies may hinder our ability to achieve holistic growth across regions, markets and sectors.	• HCLTech has established a comprehensive framework for the continuous monitoring and mitigation of significant geopolitical risks through an enhanced PESTEL risk assessment framework. This approach facilitates proactive detective monitoring, predictive modelling and mitigation measures in response to emerging geopolitical and economic threats. The framework is integrated with our crisis response program, ensuring effective scenario planning and timely responses to critical events resulting from geopolitical developments. • We have broadened and diversified our operations globally to reduce reliance on any single country or region for revenue growth, supply chain and service delivery. Additionally, we've adopted a strategy of recruiting local talent through various programs, which mitigates the risks associated with employee mobility restrictions. Our investment in a flexible talent model—comprising onsite, onshore, nearshore and offshore resources—addresses workforce mobility concerns and financial resilience effectively.

Governance and Compliance Risks

Primary risk	Details	Mitigation
Environmental Social Governance (ESG)	HCLTech continues to operate in a dynamic ESG regulatory environment across global markets. Evolving requirements around climate disclosures, supply chain due diligence, data privacy and responsible business conduct can lead to operational, financial and reputational impacts if not effectively managed. Climate related risks, including physical impacts from extreme weather and transition related policy changes, remain material.	• **Integrated ESG oversight** via Board level committees and cross functional governance bodies, ensuring ESG is embedded into enterprise wide decision making and internal audit cycles. ESG risks continue to be integrated into ERM with periodic reviews. • **Enhanced disclosure systems**, including a formalized operating model, central repository and annual disclosure calendar covering BRSR and the Sustainability Report. • **Climate related risk assessments** aligned with TCFD, using scenario analysis to identify physical and transition risks across key time horizons and geographies. Insights from this modelling inform resilience planning and infrastructure considerations. • **Sustainable supply chain processes**, with ESG screening, maturity assessments and vendor risk evaluations integrated across procurement stages. • **Strengthened compliance readiness** through structured monitoring of global ESG and Sustainability regulations and coordinated reviews with Legal, Risk & Compliance to improve tracking and accountability.
Regulatory compliance	HCLTech operates in an ever-growing list of countries and industries, leading to a higher risk of non-compliance with regulatory requirements that apply to its business. Rapidly evolving data, AI, cybersecurity and ESG regulations may require material changes to operating and delivery models, impacting deal viability, cost structures and margins. Furthermore, countries are stepping up regulatory compliance obligations for ICT and third party managed service providers, with a key focus on cybersecurity, resiliency and third party risk management, especially in key industries such as banking and financial services. Failure to comply with such regulations may result in financial and reputational losses for the company.	• HCLTech's global regulatory compliance framework identifies, assesses, monitors and mitigates regulatory risks that affect our operations. This framework covers global and local laws and regulations. It helps the organization prevent violations that could harm our reputation, employees and clients. • Robust enablers are in place, including Regulatory Intelligence, Data Governance, Quality & Compliance Controls (QCC) and well defined legal frameworks. • We implement comprehensive awareness and training programs to drive compliance culture across the organization. • The program feeds intelligence to other key Risk and compliance functions, as well as our cybersecurity and resiliency frameworks. • The board receives quarterly compliance reports from the respective functions responsible for compliance.

Primary risk	Details	Mitigation
Privacy	HCLTech's operations have expanded significantly, increasing the scope of processing personal data of individuals, vendors, contractors and enterprises. Furthermore, the evolution and use of AI have increased the risk for organizations. Privacy laws across different countries are stringent, dynamic and varied, especially regarding healthcare and financial data. Privacy landscape is continuously shifting as governing bodies worldwide scrutinize the adequacy of privacy laws and regulations. Additionally, law and privacy actions that individuals and enforcement agencies bring further impact the privacy landscape. Noncompliance with these applicable privacy legislations poses a significant risk to HCLTech.	• HCLTech has established a robust privacy information management system to safeguard personal data and ensure compliance with applicable legal, regulatory and contractual obligations regarding data privacy and protection. • Our privacy information management system includes components such as global governance, policies and procedures, training and awareness programs, privacy impact assessments, privacy by design, data mapping, third-party contractual oversight, incident management and a global privacy compliance monitoring mechanism. These components ensure that we have the necessary capabilities to support global privacy compliance in an ever-evolving regulatory space that requires constant monitoring of regional privacy compliance variances, including the evolving requirements for privacy protection with the use of AI. • HCLTech has implemented a robust Data Governance Program covering Policy Framework and integrated data management practices across the firm. • A Global Privacy Officer leads our privacy team, which consists of Regional Privacy and Data Protection Officers. HCLTech holds industry-recognized certifications and accreditations. An external global data protection officer provides oversight by independently reviewing and reporting on the measures in place for privacy compliance. HCLTech invests in technology solutions, including AI, to mitigate privacy risks.
Intellectual property (IP) management	HCLTech's intellectual property (IP) is a key differentiator and reflects its innovative capabilities. The company has implemented extensive measures to drive innovation at all levels of the organization, ensuring that innovation and differentiation are embedded into the company's culture. This approach helps HCLTech continuously adapt and prepare for the future. However, there is a risk of IP infringement and loss of ownership in the absence of effective IP governance and effective management.	• HCLTech has implemented a comprehensive framework adhering to ISO56005 to drive innovation and safeguard the company's IP to prevent potential losses in ownership rights and financial losses. • HCLTech has implemented technical, process and organizational controls to prevent the infringement of intellectual property such as patents, trademarks and copyrights belonging to others. This helps mitigate the risks of increased litigation, financial losses and reputational damage. As an organization, we continue to adopt and improve the above framework and mitigation measures.

Primary risk	Details	Mitigation
Fraud	The inability to control fraud due to the absence of fraud control measures can lead to serious financial losses and severe reputational damage. HCLTech is vulnerable to the risk of fraud, considering our global footprint, various global legislations, the complex internal environment and the need to interact with various external stakeholders. The company recognizes this as a critical business risk.	• HCLTech continues to strengthen its established fraud risk control environment by sustaining the effectiveness of its core governance mechanisms, including COBEC (Code of Business Ethics and Conduct-Global), the whistleblower framework, investigation capabilities, ABAC (anti-bribery and anti-corruption) framework, internal audit and management audit, IFC (internal financial controls) framework, employee awareness campaigns and others. • Given the growing complexity of fraud, Company has established a comprehensive Fraud Risk Management (FrRM) framework covering preventive, detective and corrective elements. The Company is strengthening the Framework through a structured, maturity-driven approach. This includes leveraging insights from fraud risk assessments of prioritized critical processes to enhance relevant fraud risk controls.
Immigration and work permit compliance	HCLTech operates in diverse global regions where talent mobility serves as a strategic lever to address critical work disruptions and specialized project demands. Rather than a routine practice, mobility is focused on deploying niche, high-demand skill sets that are often unavailable in local talent markets. Navigating this movement requires strict adherence to various international immigration and work permit regulations. Non-compliance with these complex legal frameworks can result in significant financial penalties, operational stoppages and lasting reputational damage.	• Considering the significant risk associated and required compliances to immigration laws, the company has established an Immigration Solutions Group (ISG) supported by legal, risk and other functions to ensure adherence to immigration laws across all regions and countries where HCLTech operates. Supported by top immigration service providers and law firms and managed by well-experienced immigration SMEs, the ISG is equipped to meet and adhere to changing regulations. • Specific policies, measures, processes, system-level controls, self-assessments and audits are in place to ensure adherence to immigration and work permit regulations.

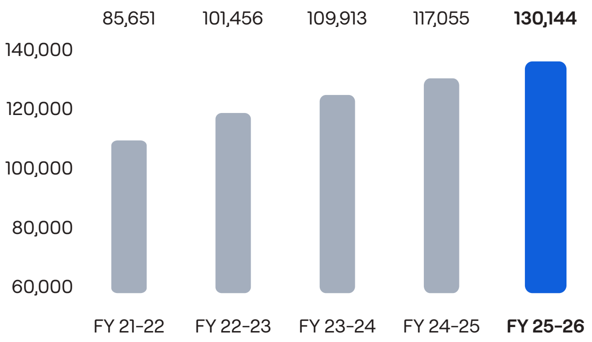
Consolidated Results

This part of the Management Discussion and Analysis refers to the consolidated financial statements of HCL (the "Company" or the "Parent Company") and its subsidiaries referred to as the "Group". The discussion should be read in conjunction with the financial statements and related notes to the consolidated accounts of HCL for the year ended 31 March 2026, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, and read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Performance Trends

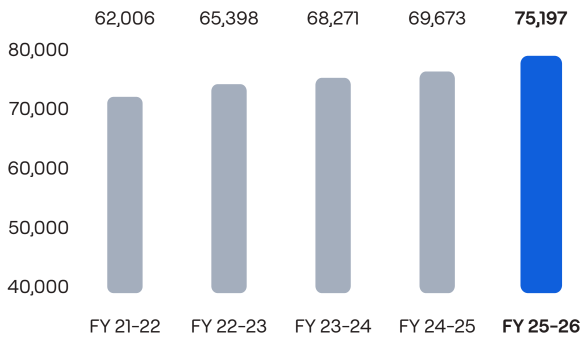
Revenue (₹ Crores)

Revenue has increased from ₹85,651 crores in FY22 to ₹130,144 crores in FY26, with a compounded annual growth rate (CAGR) of 11.0% over the last four years.



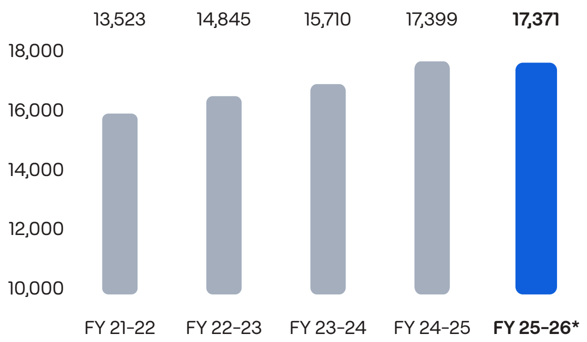
Net worth (₹ Crores)

The Net worth has increased from ₹62,006 crores in FY22 to ₹75,197 crores in FY26. The Company has paid ₹57,950 crores as dividend over last four years. Growth in net-worth is after considering the effect of dividend payouts in respective years.



Profit after tax (₹ Crores)

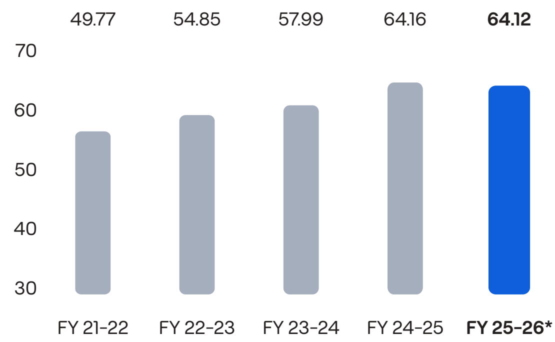
Profit after tax has increased from ₹13,523 crores in FY22 to ₹17,371 crores in FY26, with a CAGR of 6.5% over the last four years. Profit after tax for FY26 has reduced by ₹640 crores (net of tax) due to one-time restructuring cost.



*Profit after tax of ₹17,371 crores, excludes the one-time impact of New Labour Codes of ₹719 crores (net of tax).

Earning per share (₹)

Basic earnings per share has increased from ₹49.77 in FY22 to ₹64.12 in FY26, with a CAGR of 6.5% over the last four years. EPS for FY26 has reduced by ₹2.36 (net of tax) due to one-time restructuring cost.



*EPS of ₹64.12, excludes the one-time impact of New Labour Codes ₹2.66 (net of tax) per share.

Financial Performance

Results of operations (Consolidated):

(in ₹ Crores)

Particulars	Year ended 31 March 2026 Amount	31 March 2026 % Revenue	31 March 2025 Amount	31 March 2025 % Revenue	% Change
Revenue from operations	130,144	100.0%	117,055	100.0%	11.2%
Other income	1,530	1.2%	2,485	2.1%	
Total income	**131,674**	**101.2%**	**119,540**	**102.1%**	**10.2%**
Expenses					
Purchase of stock-in-trade	2,715	2.1%	1,976	1.7%	
Changes in inventories of stock-in-trade	(106)	(0.1)%	52	0.0%	
Employee benefits expense	74,143	57.0%	66,755	57.0%	
Outsourcing costs	18,422	14.2%	15,162	13.0%	
Finance costs	869	0.7%	644	0.6%	
Depreciation and amortization expense	4,355	3.3%	4,084	3.5%	
Other expenses	8,218	6.3%	7,606	6.5%	
Total expenses	**108,616**	**83.5%**	**96,279**	**82.3%**	**12.8%**
Profit before exceptional item and tax	**23,058**	**17.7%**	**23,261**	**19.9%**	**(0.9)%**
Exceptional item					
One-time impact of New Labour Codes	956	**0.7%**	-	**0.0%**	
Profit before tax	**22,102**	**17.0%**	**23,261**	**19.9%**	**(5.0)%**
Tax expense					
Current tax	5,105	3.9%	5,161	4.4%	
Deferred tax charge	345	0.3%	701	0.6%	
Total tax expense	**5,450**	**4.2%**	**5,862**	**5.0%**	**(7.0)%**
Profit after tax	**16,652**	**12.8%**	**17,399**	**14.9%**	**(4.3)%**
Non- controlling interest	(10)	0.0%	(9)	0.0%	
Profit for the year	**16,642**	**12.8%**	**17,390**	**14.9%**	**(4.3)%**

Income

Revenue from operations

Revenue from operations in the year ended 31 March 2026 increased by 11.2% to ₹130,144 crores from ₹117,055 crores in the year ended 31 March 2025. The increase is driven by broad based performance across business segments as our clients across verticals and geographies reaffirm their confidence in our Digital and AI offerings along with strong deal wins in FY25 and continued momentum in FY26. The Group saw significant demand for its services. The increase is also accentuated by depreciation of INR against major foreign currencies.

Segment wise breakup of Revenue

The following table sets forth the revenue generated from each of our business segments and their respective percentage of our total revenue for the year:

(in ₹ Crores)

	Year ended				
	31 March 2026		31 March 2025		
Segment	**Amount**	**% of total**	**Amount**	**% of total**	**% Change**
IT and Business Services	96,095	73.8%	86,438	73.8%	11.2%
Engineering and R&D services	22,063	17.0%	18,960	16.2%	16.4%
HCLSoftware	12,397	9.5%	12,049	10.3%	2.9%
Inter-segment*	(411)	(0.3)%	(392)	(0.3)%	4.8%
Total Revenue	**130,144**	**100.0%**	**117,055**	**100.0%**	**11.2%**

*Inter segment revenue primarily relates to services sourced internally from one segment to other segments for providing services to end customers.

Geography wise breakup of Revenue

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

(in ₹ Crores)

	Year ended				
	31 March 2026		31 March 2025		
Geographical Mix	**Amount**	**% of total**	**Amount**	**% of total**	**% Change**
United States of America (USA)	72,206	55.5%	67,987	58.1%	6.2%
Europe	36,574	28.1%	31,240	26.7%	17.1%
India*	3,941	3.0%	3,667	3.1%	7.5%
Rest of the world	17,423	13.4%	14,161	12.1%	23.0%
Total Revenue	**130,144**	**100.0%**	**117,055**	**100.0%**	**11.2%**

*Includes revenue billed to India based captive of global customers.

Other Income

The details of Other Income are as follows:

(in ₹ Crores)

Other Income	Year ended 31 March 2026	Year ended 31 March 2025	% Change
Interest income	1,542	1,567	
Income on mutual funds	170	200	
Exchange differences (net)	(241)	86	
Gain on divestment of subsidiaries	-	574	
Others	59	58	
Total	**1,530**	**2,485**	**(38.4)%**

Other income decreased by 38.4% to ₹1,530 crores for the year ended 31 March 2026, compared to ₹2,485 crores in the previous year. This is due to foreign exchange loss of ₹241 crores incurred primarily due to mark-to-market loss on derivative contracts on account of depreciation of INR against major foreign currencies, as against gain in previous year and one-time gain of ₹574 crores from divestment of subsidiaries recorded in the previous year.

Expenses

Employee benefits expense

Employee benefit expenses include salaries that have fixed and variable components, and contributions to retirement and pension plans. It also includes expenses incurred on staff welfare.

(in ₹ Crores)

	Year ended				
	31 March 2026		31 March 2025		
Particulars	Amount	% Revenue	Amount	% Revenue	% Change
Salaries, wages and bonus	64,721	49.7%	58,178	49.7%	11.2%
Contribution to fund and other employee benefits	8,654	6.6%	8,094	6.9%	6.9%
Share based payments to employees	478	0.4%	218	0.2%	119.3%
Staff welfare expenses	290	0.2%	265	0.2%	9.4%
Total	**74,143**	**56.9%**	**66,755**	**57.0%**	**11.1%**

Employee benefit expense has increased by 11.1% to ₹74,143 crores in the year ended 31 March 2026 from ₹66,755 crores in the year ended 31 March 2025. The increase is primarily due to one-time restructuring cost of ₹850 crores, increase in share based payments expense to employees and depreciation of INR against major foreign currencies.

Outsourcing expenses

Outsourcing expense includes outsourcing of several client-related activities such as hosting services, facilities management, disaster recovery, maintenance, and break fix services, and hiring of third-party consultants from time to time to supplement the in-house teams.

Outsourcing expenses as a percentage of revenue has increased to 14.2% in FY26 from 13.0% in FY25. This increase in the current year is primarily due to increase in normal business operations and depreciation of INR against major foreign currencies.

Finance costs

Finance costs includes interest on loans from banks, senior notes, lease liabilities, direct taxes, other interest cost and bank charges.

Finance costs increased by 34.9% to ₹869 crores in the year ended 31 March 2026 from ₹644 crores in the year ended 31 March 2025. This increase is primarily on account of interest cost on direct taxes and lease liabilities.

Depreciation and amortization expense

Depreciation and amortization expense increased by 6.6% to ₹4,355 crores in the year ended 31 March 2026 from ₹4,084 crores in the year ended 31 March 2025. The increase is primarily attributable to higher amortization expense of ₹159 crores arising from full year impact of previous year acquisitions of customer related intangibles, along with incremental depreciation on right-of-use assets of ₹179 crores .

Other expenses

(in ₹ Crores)

	Year ended				
	31 March 2026		31 March 2025		
Particulars	**Amount**	**% Revenue**	**Amount**	**% Revenue**	**% Change**
Travel and conveyance	1,438	1.1%	1,538	1.3%	
Software subscription fee	1,414	1.1%	1,269	1.1%	
Repairs and maintenance	840	0.6%	764	0.7%	
Legal and professional charges	808	0.6%	715	0.6%	
Communication costs	681	0.5%	583	0.5%	
Recruitment, training and development	479	0.4%	350	0.3%	
Power and fuel	355	0.3%	355	0.3%	
Expenditure toward corporate social responsibility activities	305	0.2%	282	0.2%	
Rates and taxes	222	0.2%	179	0.2%	
Rent	110	0.1%	98	0.1%	
Provision for doubtful debts/bad debts written off (net)	107	0.1%	15	0.0%	
Insurance	106	0.1%	122	0.1%	
Others	1,353	1.0%	1,336	1.1%	
Total	**8,218**	**6.3%**	**7,606**	**6.5%**	**8.0%**

Other expenses as a percentage of revenue has decreased to 6.3% in FY26 from 6.5% in FY25.

Tax expenses

Tax expenses comprises current tax and deferred tax.

(in ₹ Crores)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Profit before tax	23,058	23,261
Total tax expense	5,450	5,862
Effective tax rate	**23.6%**	**25.2%**

Tax expenses include current tax and deferred tax expenses. Decrease in tax expense for the year ended 31 March 2026 is primarily due to settlement of certain prior year's tax positions in the current year. [for details refer to note no 3.25 to the consolidated financial statement]

Financial position

(in ₹ Crores)

Particulars	As at 31 March 2026	As at 31 March 2025
Assets		
(a) Property, plant and equipment	4,657	4,501
(b) Capital work in progress	60	59
(c) Right-of-use assets	3,592	3,016
(d) Goodwill	23,888	21,756
(e) Other intangible assets	5,242	6,899
(f) Other non-current assets	8,277	7,204
(g) Current assets	70,542	62,109
Total assets	**116,258**	**105,544**
Equity		
(a) Equity share capital	543	543
(b) Other equity	74,654	69,130
Total equity	**75,197**	**69,673**
Liabilities		
(a) Non-current liabilities	9,235	7,832
(b) Current liabilities	31,826	28,039
Total equity and liabilities	**116,258**	**105,544**

Other equity comprises other equity attributable to shareholders of the Group and non-controlling interest.

Property, plant and equipment

Property, plant and equipment net of depreciation, increased by ₹156 crores to ₹4,657 crores as of 31 March 2026 from ₹4,501 crores as of 31 March 2025.

Right-of- use assets

Right-of-use assets net of depreciation, increased by ₹576 crores to ₹3,592 crores as of 31 March 2026 from ₹3,016 crores as of 31 March 2025.

Goodwill and intangible assets

Goodwill increased by ₹2,132 crores to ₹23,888 crores as of 31 March 2026 from ₹21,756 crores as of 31 March 2025. The increase is primarily due to acquisitions through business combination of ₹118 crores and currency translation. [For details refer to note no 3.2 to the consolidated financial statement].

Intangible assets decreased by ₹1,657 crores to ₹5,242 crores as of 31 March 2026 from ₹6,899 crores as of 31 March 2025. The decrease is primarily due to amortization of ₹ 2,043 crores during the year partly offset by acquisitions through business combination of ₹59 crores. [For details refer to note no 3.3 to the consolidated financial statement].

Treasury investments

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

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

Breakup of treasury investments is given below

(in ₹ Crores)

Particulars	As at 31 March 2026	As at 31 March 2025
Debt mutual funds	3,229	3,164
Debt securities	3,731	4,309
Deposits with banks	21,303	16,561
Deposits with corporation and financial institution	1,066	1,561
Total	**29,329**	**25,595**

Current and other non-current assets excluding treasury investments

"Other non-current assets" comprises deferred tax assets (net), and financial and other assets.
"Current assets" comprises inventories, tax assets(net), and financial and other assets.

(in ₹ Crores)

Particulars	As at 31 March 2026	As at 31 March 2025
Other non-current assets	8,277	7,204
Current assets	70,542	62,109
Total	**78,819**	**69,313**
Less: Treasury investments	29,329	25,595
Total	**49,490**	**43,718**

Current and other non-current assets, excluding treasury investments increased by ₹5,772 crores to ₹49,490 crores as of 31 March 2026 from ₹43,718 crores as of 31 March 2025. This increase is primarily due to increase in trade receivables by ₹5,278 crores.

Shareholders' fund

The equity attributable to shareholders of the Group increased by ₹5,510 crores to ₹75,165 crores as of 31 March 2026 from ₹69,655 crores as of 31 March 2025. The increase is primarily due to profit during the year by ₹16,642 crores netted off with payment of dividend by ₹14,621 crores.

Borrowings

(in ₹ Crores)

	As at	
Particulars	**31 March 2026**	**31 March 2025**
Long-term borrowings		
- From banks	89	137
- From senior notes	-	2,151
Short-term loan from banks	-	3
Bank overdraft	70	-
Total	**159**	**2,291**

Borrowings decreased by ₹2,132 crores to ₹159 crores as of 31 March 2026 from ₹2,291 crores as of 31 March 2025, primarily due to repayment of outstanding senior notes. This was partially offset by bank overdrafts availed for working capital management.

Other non-current and current liabilities

"Non-current liabilities" comprises provisions, deferred tax liabilities (net), financial and other liabilities.
"Current liabilities" comprises provisions, tax liabilities (net), and financial and other liabilities.

(in ₹ Crores)

	As at	
Particulars	**31 March 2026**	**31 March 2025**
Non-current liabilities	9,235	7,832
Current liabilities	31,826	28,039
Total	**41,061**	**35,871**
Less : Borrowings	159	2,291
Total	**40,902**	**33,580**

Current and non-current liabilities, excluding borrowings, increased by ₹7,322 crores to ₹40,902 crores as of 31 March 2026 from ₹33,580 crores as of 31 March 2025. This is largely due to increase in Trade payables of ₹1,481 crores, unrealized loss on derivative financial instruments of ₹1,695 crores, lease liabilities of ₹1,071 crores, accrued salaries and benefits of ₹1,017 crores and current tax liabilities of ₹1,047 crores.

Cash flows

A summary of the cash flows statement is given below:

(in ₹ Crores)

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
Net cash flows from operating activities	(A)	19,975	22,261
Net cash flows used in investing activities	(B)	(1,473)	(4,914)
Net Cash flows used in financing activities	(C)	(19,369)	(18,561)
Net decrease in cash and cash equivalents	(A)+(B)+(C)	(867)	(1,214)
Effect of exchange differences on cash and cash equivalents held in foreign currency		817	18
Cash and cash equivalents at the beginning of the year		8,245	9,441
Cash and cash equivalents at the end of the year		**8,195**	**8,245**

Net Cash flows from operating activities

Net cash generated from operating activities is ₹19,975 crores during the year ended 31 March 2026, consisting of profit before tax of ₹22,102 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization of ₹4,355 crores, and interest income of ₹(1,542) crores; cash used in net working capital of ₹1,522 crores which is primarily driven by movement in trade receivables and cash used to pay taxes (net of refund), which is ₹4,076 crores.

Net cash generated from operating activities is ₹22,261 crores during the year ended 31 March 2025, consisting of profit before tax of ₹23,261 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization of ₹4,084 crores, and interest income of ₹(1,567) crores; cash generated from net working capital of ₹1,010 crores which is primarily driven by movement in Other financial liabilities, contract liabilities, provisions and other liabilities and cash used to pay taxes (net of refund), which is ₹4,243 crores.

Net Cash flows used in investing activities

Net cash used in investing activities is ₹1,473 crores for the year ended 31 March 2026. This is primarily due to net amount of placement of bank deposits of ₹2,186 crores, net amount of purchase and sale of property, plant and equipment and intangibles of ₹1,399 crores, payments for business acquisitions (net of cash acquired) of ₹159 crores, partially offset with net amount of interest received of ₹1,430 crores, net proceeds from sale/maturity of investments in securities of ₹684 crores and net proceeds from deposits with body corporate of ₹495 crores.

Net cash used in investing activities is ₹4,914 crores for the year ended 31 March 2025. This is primarily due to net amount of placement of bank deposits of ₹2,820 crores, payments for business acquisitions (net of cash acquired) of ₹1,982 crores, net amount of purchase and sale of property, plant and equipment and intangibles of ₹1,083 crores and placement of deposits with body corporate of ₹482 crores, partially offset with net amount of interest received of ₹1,322 crores and Divestment in subsidiaries of ₹687 crores.

Net Cash flows used in financing activities

Net cash used in financing activities is ₹19,369 crores for the year ended 31 March 2026, primarily comprising payment of dividends of ₹14,618 crores, net payment of borrowings ₹2,308 crores, payment of lease liabilities including interest of ₹1,685 crores and acquisition of treasury shares of ₹711 crores.

Net cash used in financing activities is ₹18,561 crores for the year ended 31 March 2025, primarily comprising payment of dividends of ₹16,250 crores, payment of lease liabilities including interest of ₹1,453 crores, acquisition of treasury shares of ₹676 crores and net payment of borrowings ₹81 crores.

Key financial ratios

Ratio	Numerator	Denominator	Units	Year ended 31 March 2026	31 March 2025	% Change
Operating profit ratio	Revenue from operations less all operating expenses (refer note 1 below)	Revenue from operations	%	17.2	18.3	(6.0)%
Net profit ratio	Profit for the year	Revenue from operations	%	12.8	14.9	(14.1)%
Return on net worth ratio	Profit after tax	Average total equity	%	23.0	25.2	(8.7)%
Current ratio	Current assets	Current liabilities	Times	2.2	2.2	0.0%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	Times	4.4	4.4	0.0%
Inventory turnover ratio	Cost of good sold (refer note 2 below)	Average inventories	Times	14.0	12.8	9.4%
Interest coverage ratio	Earning before interest expenses and taxes	Interest expenses	Times	27.2	38.8	(29.9)%
Debt equity ratio	Total debt (refer note 3 below)	Total equity	Times	0.1	0.1	0.0%

Notes:

1) All operating expenses means total expenses minus finance costs.
2) Cost of goods sold includes purchase of stock in trade and change in inventories of stock-in-trade.
3) Total debts include lease liabilities.
4) Average is calculated based on simple average of opening and closing balances.

Operating profit ratio

Operating profit ratio decreased to 17.2% in FY26 from 18.3% in FY25 primarily due to one-time impact of restructuring cost of ₹850 crores in FY26. Excluding the impact, operating profit ratio for FY26 would have been 17.9%.

Net profit ratio

Net profit ratio decreased to 12.8% in FY26 from 14.9% in FY25 primarily due to one-time impact of New Labour codes of ₹719 crores (net of tax) and one-time restructuring cost of ₹640 crores (net of tax) in FY26. Excluding the impact, net profit ratio for FY26 would have been 13.8%.

Return on net worth

Return on net worth decreased to 23.0 % in FY26 from 25.2 % in FY25 primarily due to one-time impact of New Labour codes of ₹719 crores (net of tax) and one-time restructuring cost of ₹640 crores (net of tax) in FY26. Excluding the impact, of one-time impact of New Labour codes, the return on net worth for FY26 would have been 24.0%.

Interest coverage ratio

Interest coverage ratio has decreased to 27.2 times in FY26 from 38.8 times in FY25, primarily due to increase in interest cost and reduction in Earning before interest expense and taxes due to one-time impact of New Labour codes of ₹956 crores and one-time restructuring cost of ₹850 crores in FY26. Excluding the impact, of one-time impact of New Labour codes, the Interest coverage ratio for FY26 would have been 28.3 times.

Standalone Results

Standalone results of HCL exclude the performance of its subsidiaries.

The discussion in the paragraphs that follow should be read in conjunction with the financial statements and related notes to the standalone results of HCL Technologies Limited (herein referred to as "HCL" or "the Company") for the year ended 31 March 2026, prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS"), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) rules as amended from time to time.

Results of operations (Standalone)

(in ₹ Crores)

	Year ended				
	31 March 2026		31 March 2025		
Particulars	**Amount**	**% Revenue**	**Amount**	**% Revenue**	**% Change**
Revenue from operations	55,031	100.0%	51,105	100.0%	7.7%
Other income	2,205	4.0%	1,234	2.4%	
Total income	**57,236**	**104.0%**	**52,339**	**102.4%**	**9.4%**
Expenses					
Purchase of stock-in-trade	127	0.2%	133	0.3%	
Changes in inventories of stock-in-trade	-	0.0%	13	0.0%	
Employee benefits expense	25,323	46.0%	22,414	43.9%	
Outsourcing costs	8,852	16.1%	7,437	14.6%	
Finance costs	243	0.4%	156	0.3%	
Depreciation and amortization expense	2,316	4.2%	2,320	4.5%	
Other expenses	3,670	6.7%	3,392	6.6%	
Total expenses	**40,531**	**73.7%**	**35,865**	**70.2%**	**13.0%**
Profit before exceptional item and tax	**16,705**	**30.4%**	**16,474**	**32.2%**	**1.4%**
Exceptional item					
One-time impact of New Labour Codes	948	1.7%	-	0.0%	
One-time impact of Bilateral Advance Pricing Agreement (BAPA)	5,733	10.4%	-	0.0%	
Profit before tax	**10,024**	**18.2%**	**16,474**	**32.2%**	**(39.2)%**
Tax expense					
Current tax	2,743	5.0%	3,344	6.5%	
Deferred tax charge	(346)	(0.6)%	864	1.7%	
Total tax expense	**2,397**	**4.4%**	**4,208**	**8.2%**	**(43.0)%**
Profit after tax	**7,627**	**13.9%**	**12,266**	**24.0%**	**(37.8)%**

Financial position (Standalone)

(in ₹ Crores)

Particulars	As at 31 March 2026	As at 31 March 2025
Assets		
(a) Property, plant and equipment	2,931	2,931
(b) Capital work in progress	14	29
(c) Right-of-use assets	1,155	1,192
(d) Goodwill	7,226	7,215
(e) Other intangible assets	3,599	4,880
(f) Other non-current assets	5,849	7,221
(g) Current assets	26,200	29,035
Total assets	**46,974**	**52,503**
Equity		
(a) Equity share capital	543	543
(b) Other equity	25,355	34,397
Total equity	**25,898**	**34,940**
Liabilities		
(a) Non-current liabilities	3,477	3,528
(b) Current liabilities	17,599	14,035
Total equity and liabilities	**46,974**	**52,503**

Current and other non-current assets excluding treasury investments

"Other non-current assets" comprises deferred tax assets (net), and financial and other assets.
"Current assets" comprises inventories, tax assets(net), and financial and other assets.

(in ₹ Crores)

Particulars	As at 31 March 2026	As at 31 March 2025
Other non-current assets	5,849	7,221
Current assets	26,200	29,035
Total	**32,049**	**36,256**
Less: Treasury investments	10,400	13,005
Total	**21,649**	**23,251**

Current and other non – current assets, excluding treasury assets decreased by ₹1,602 crores to ₹21,649 crores as of 31 March 2026 from ₹23,251 crores as of 31 March 2025; the decrease is primarily on account of decrease in trade receivables by ₹1,524 crores.

Current and non-current liabilities

"Non-current liabilities" comprises provisions, deferred tax liabilities (net), and financial and other liabilities.
"Current liabilities" comprises provisions, tax liabilities (net), and financial and other liabilities.

(in ₹ Crores)

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current liabilities	3,477	3,528
Current liabilities	17,599	14,035
Total	**21,076**	**17,563**
Less: Borrowings	10	26
Total	**21,066**	**17,537**

Current and non-current liabilities, excluding borrowings, increased by ₹3,529 crores to ₹21,066 crores as of 31 March 2026 from ₹17,537 crores as of 31 March 2025, the increase is primarily on account of higher trade payables of ₹5,246 crores offset with decrease in other liabilities.

Cash flows (Standalone)

A summary of the cash flows statement is given below

(in ₹ Crores)

Particulars		Year ended 31 March 2026	Year ended 31 March 2025
Net cash flows from operating activities	(A)	12,129	15,991
Net cash flows from investing activities	(B)	3,520	993
Net Cash flows used in financing activities	(C)	(15,681)	(17,253)
Net increase in cash and cash equivalents	(A)+(B)+(C)	(32)	(269)
Effect of exchange differences on cash and cash equivalents held in foreign currency		41	24
Cash and cash equivalents at the beginning of the year		592	837
Cash and cash equivalents at the end of the year		**601**	**592**

Net Cash flows from operating activities

Net cash generated from operating activities is ₹12,129 crores during the year ended 31 March 2026, consisting of profit before tax of ₹10,024 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization expenses of ₹2,316 crores, dividend income from subsidiaries of ₹(1,077) crores, interest income of ₹(861) crores, and cash generated from net working capital of ₹3,980 crores and payment of tax of ₹2,261 crores.

Net cash generated from operating activities is ₹15,991 crores during the year ended 31 March 2025, consisting of profit before tax of ₹16,474 crores, adjusted for: non-cash and non-operating items which are primarily depreciation and amortization expenses of ₹2,320 crores, interest income of ₹(867) crores; and cash generated from net working capital of ₹916 crores and payment of tax of ₹2,705 crores.

Net Cash flows from investing activities

Net cash flows from investing activities is ₹3,520 crores for the year ended 31 March 2026. This is primarily due to net proceed from bank deposits of ₹1,105 crores, dividend received from subsidiaries of ₹1,077 crores, purchase (net of maturity/sale) of investment in securities of ₹968 crores, Interest received of ₹663 crores and deposits placed with body corporates of ₹624 crores, partially netted off with net purchase of property, plant and equipment and intangibles of ₹715 crores.

Net cash flows from investing activities is ₹993 crores for the year ended 31 March 2025. This is primarily due to net proceed from bank deposits of ₹2,495 crores, Interest received of ₹801 crores and dividend received from subsidiaries of ₹109 crores, partially netted off with payments for business acquisitions (net of cash acquired) of ₹1,358 crores, net purchase of property, plant and equipment and intangibles of ₹439 crores, purchase (net of maturity/sale) of investment in securities of ₹294 crores and deposits placed with body corporates of ₹221 crores.

Net Cash flows used in financing activities

Net cash used in financing activities is ₹15,681 crores for the year ended 31 March 2026, primarily comprising payment of dividends of ₹14,618 crores, acquisition of treasury shares of ₹711 crores and payment of lease liabilities including interest of ₹334 crores.

Net cash used in financing activities is ₹17,253 crores for the year ended 31 March 2025, primarily comprising payment of dividends of ₹16,250 crores, acquisition of treasury shares of ₹676 crores and payment of lease liabilities including interest of ₹297 crores.

Key financial ratios (Standalone)

Ratio	Numerator	Denominator	Units	Year ended 31 March 2026	31 March 2025	% Change
Operating profit ratio	Revenue from operations less all operating expenses (refer note 1 below)	Revenue from operations	%	26.8	30.1	(11.0)%
Net profit ratio	Profit for the year	Revenue from operations	%	13.9	24.0	(42.1)%
Return on net worth ratio	Profit after tax	Average total equity	%	25.1	33.0	(23.9)%
Current ratio	Current assets	Current liabilities	Times	1.5	2.1	(28.6)%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	Times	3.9	3.7	5.4%
Inventory turnover ratio	Cost of good sold (refer note 2 below)	Average inventories	Times	10.6	7.7	37.7%
Interest coverage ratio	Earning before interest expenses and taxes	Interest expenses	Times	42.9	110.8	(61.3)%
Debt equity ratio	Total debt (refer note 3 below)	Total equity	Times	0.0	0.0	0.0%

Notes:

1) All operating expenses means total expenses minus finance costs.
2) Cost of goods sold includes purchase of stock in trade and change in inventories of stock-in-trade.
3) Total debts include lease liabilities.
4) Average is calculated based on simple average of opening and closing balances.

Net profit ratio

Net profit ratio decreased to 13.9 % in FY26 from 24.0 % in FY25 primarily on account of exceptional items and consequential tax impact of ₹5,129 crores during the year. Excluding the impact, the net profit ratio for FY26 would have been 23.2%.

Return on net worth

Return on net worth decreased to 25.1 % in FY26 from 33.0 % in FY25 primarily on account of exceptional items and consequential tax impact of ₹5,129 crores during the year. Excluding the impact, return on net worth for FY26 would have been 41.9%.

Current ratio

Current ratio is declined to 1.5 times in FY26 from 2.1 times in FY25 due to increased current liabilities against decreased current assets as compared to the previous year.

Inventory turnover ratio

Inventory turnover Ratio has increased to 10.6 times in FY26 from 7.7 times in FY25 , mainly due to relatively reduction in cost of good sold as against reduction in average inventories compared to previous year.

Interest coverage ratio

Interest coverage ratio has declined to 42.9 times in FY26 from 110.8 times in FY25 , mainly due to increase in Interest costs and reduction in Earning before interest expense and taxes due to exceptional items during the year. Excluding the impact of exceptional items, the interest coverage ratio for FY26 would have been 70.9 times.