Annexure - (A)

HCL Technologies Limited

REGISTERED OFFICE: 806, SIDDHARTH, 96 NEHRU PLACE, NEW DELHI, 110 019
CORPORATE OFFICE: A-10 & 11, SECTOR 3, NOIDA, U.P., INDIA

Following are the statement of financial results of HCL Technologies Limited as a standalone entity as per Indian GAAP:

(₹ in lacs)

Particulars	Three months ended			Year ended
	September 30,2014 (Unaudited)	June 30,2014 (Audited)	September 30,2013 (Unaudited)	June 30,2014 (Audited)
Revenues from operations	405,440	477,144	384,381	1,649,737
Total income from operations	**405,440**	**477,144**	**384,381**	**1,649,737**
Expenses				
Cost of materials	4,143	10,999	5,023	41,012
Employee benefits expense	136,813	130,701	128,678	512,395
Outsourcing cost	41,312	42,919	35,910	161,945
Travel and conveyance	18,765	18,475	15,647	69,970
Exchange (gain)/loss	(4,642)	(1,494)	405	1,179
Depreciation and amortization expense	6,935	12,724	12,431	49,070
Other expenses	29,309	34,122	36,416	132,147
Total expenses	**232,635**	**248,446**	**234,510**	**967,718**
Profit from operations before other income, finance costs and exceptional items	**172,805**	**228,698**	**149,871**	**682,019**
Other income	36,508	23,527	11,427	65,912
Profit from ordinary activities before finance costs and exceptional items	**209,313**	**252,225**	**161,298**	**747,931**
Finance costs	2,149	2,246	1,847	8,165
Profit from ordinary activities after finance costs but before exceptional items	**207,164**	**249,979**	**159,451**	**739,766**
Exceptional items	-	-	-	-
Profit from ordinary activities before tax	**207,164**	**249,979**	**159,451**	**739,766**
Tax expenses	38,908	51,655	30,354	141,304
Net profit from ordinary activities after tax	**168,256**	**198,324**	**129,097**	**598,462**
Extraordinary items (net of tax expense ₹ Nil)	-	-	-	-
Net profit for the period	**168,256**	**198,324**	**129,097**	**598,462**
Paid up equity share capital (Par Value ₹ 2 each)	14,026	14,000	13,956	14,000
Reserves and Surplus	1,586,607	1,560,561	1,093,527	1,560,561
Weighted average no. of shares outstanding (par value ₹ 2 each)				
Basic	700,622,627	699,683,852	697,142,898	698,616,947
Diluted	706,878,127	707,718,284	708,464,295	708,114,213
Earnings per equity share (before extraordinary items) (₹) (not annualised)				
Basic	24.02	28.34	18.52	85.66
Diluted	23.80	28.02	18.22	84.51
Earnings per equity share (after extraordinary items) (₹) (not annualised)				
Basic	24.02	28.34	18.52	85.66
Diluted	23.80	28.02	18.22	84.51
Dividend per share (par value ₹ 2 each) ₹				
Interim dividend	18.00	-	2.00	10.00
Final dividend	-	-	-	-
Total dividend	**18.00**	**-**	**2.00**	**10.00**
Particulars of shareholding				
Public shareholding				
Number of shares	269,805,719	268,478,487	266,281,185	268,478,487
Percentage of shareholding	38.47%	38.36%	38.16%	38.36%
Promoters and promoter group shareholding				
a) Pledged/encumbered				
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b) Non-encumbered				
- Number of shares	431,497,894	431,497,894	431,514,284	431,497,894
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	61.53%	61.64%	61.84%	61.64%

Notes :

1 The financial results for the quarter ended September 30, 2014 were approved by the Audit Committee and have been approved and taken on record by the Board of Directors at its meeting held on October 17, 2014.

2 The Board of Directors of the Company in its meeting held on October 17, 2014 has declared an interim dividend of ₹ 6 per share amounting to ₹ 42,078 lacs in addition to interim dividend (special dividend) of ₹ 12 per share amounting to ₹ 84,057 lacs paid by the Company on August 14, 2014.With this the total dividend for the quarter ended September 30, 2014 aggregates to ₹ 18 per share amounting to ₹ 126,135 lacs.

HCL TECHNOLOGIES LIMITED

3 During the quarter ended September 30, 2014, the management based on technical evaluation reassessed the useful life of assets with effect from July 1, 2014. Accordingly the useful lives of certain assets required a change from the previous estimates. Had the Company continued with the previously assessed useful lives, charge for depreciation for the quarter ended September 30, 2014 would have been higher by ₹ 5,484 lacs for assets held at July 1, 2014.

4 **Investor complaints:-**

Particulars	Quarter ended September 30, 2014
Pending at the beginning of the quarter	Nil
Received during the quarter	7
Resolved during the quarter	7
Remaining unresolved at the end of the quarter	Nil

5 **Segment Information:-**

(₹ in lacs)

Particulars	Three months ended			Year ended
	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)	September 30, 2013 (Unaudited)	June 30, 2014 (Audited)
Segment Revenues				
Software services	249,309	296,164	243,470	1,014,292
Business process outsourcing services	23,951	31,119	17,950	87,635
IT Infrastructure services	132,180	149,861	122,961	547,810
Total	**405,440**	**477,144**	**384,381**	**1,649,737**
Less : Inter-segment revenue	-	-	-	-
Net revenue from operations	**405,440**	**477,144**	**384,381**	**1,649,737**
Segment Results				
Software services	102,347	148,993	103,096	443,877
Business process outsourcing services	6,227	12,672	2,802	20,358
IT Infrastructure services	60,057	66,289	46,113	222,426
Total	**168,631**	**227,954**	**152,011**	**686,661**
Less :				
Finance cost	2,149	2,246	1,847	8,165
Other un-allocable expenditure / (income), net	(40,682)	(24,271)	(9,287)	(61,270)
Net profit before tax	**207,164**	**249,979**	**159,451**	**739,766**

Segmental capital employed

Assets and liabilities are not identified to any reportable segments, since the Company is increasingly using them interchangeably across segments. The Management believes that it is not practicable to provide segment disclosures relating to total assets and liabilities since segregation of the available data would be a voluminous exercise without being commensurately meaningful.

6 The figures of previous periods/year have been rearranged to conform to the current period classification.

By the order of the Board of Directors
for HCL Technologies Limited

Shiv Nadar
Chairman and Chief Strategy Officer

Anant Gupta
President and Chief Executive Officer

Noida (UP), India
October 17, 2014

Anil Chanana
Chief Financial Officer

The Board has also taken on record the Consolidated results of HCL Technologies Limited and its subsidiaries for the quarter ended September 30, 2014 prepared as per US GAAP. A summary of the financial statements is as follows:-

(in million $)

Particulars	Quarter ended September 30	
	2014	2013
Revenues	**1,433.5**	**1,270.3**
Cost of revenues (exclusive of depreciation and amortization)	906.3	775.2
Gross profits	**527.2**	**495.1**
Selling, general and administrative expenses	167.7	161.3
EBITDA	**359.5**	**333.8**
Depreciation and Amortization	17.1	31.5
Other income (expenses), net	49.9	(19.4)
Provision for income taxes	85.1	57.3
Net income attributable to noncontrolling interest	0.0	0.0
Net income attributable to HCL Technologies Limited shareholders	**307.2**	**225.6**
Earnings per equity share (in US $)		
Basic	0.44	0.32
Diluted	0.44	0.32

Note

1 The figures of the previous period have been rearranged to conform to the current period classification.

HCL TECHNOLOGIES LIMITED

S.R. BATLIBOI & CO. LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

Limited Review Report

Review Report to
The Board of Directors
HCL Technologies Limited

1. We have reviewed the accompanying statement of unaudited financial results of HCL Technologies Limited ('the Company') for the quarter ended September 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
ICAI Firm registration number: 301003E
Chartered Accountants

Tridibes Basu

per Tridibes Basu
Partner
Membership No.: 17401

S.R. BATLIBOI & CO. LLP GURGAON

Gurgaon, India
October 17, 2014

HCL Technologies Limited

REGISTERED OFFICE: 806, SIDDHARTH, 96 NEHRU PLACE, NEW DELHI, 110 019
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HCL TECHNOLOGIES LIMITED

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Gross profits	**527.2**	**495.1**
Selling, general and administrative expenses	167.7	161.3
EBITDA	**359.5**	**333.8**
Depreciation and Amortization	17.1	31.5
Other income (expenses), net	49.9	(19.4)
Provision for income taxes	85.1	57.3
Net income attributable to noncontrolling interest	0.0	0.0
Net income attributable to HCL Technologies Limited shareholders	**307.2**	**225.6**
Earnings per equity share (in US $)		
Basic	0.44	0.32
Diluted	0.44	0.32

Note

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HCL TECHNOLOGIES LIMITED

HCL TECHNOLOGIES

FIRST QUARTER – FY 2015 RESULTS

INVESTOR RELEASE

Noida, NCR, India, October 17th, 2014

Q1'15 RESULTS

Revenue at ₹ **8,735 crores**; up **3.7%** QoQ & **10%** YoY

Net Income at ₹ **1,873 crores**; up **2.1%** QoQ & **32%** YoY

Revenue growth (excluding India) in Constant Currency at **3.7%** & **14.3%** YoY

Revenue growth in Constant Currency at **3.2%** QoQ & **13%** YoY

Revenue at **US$ 1,433 mn**; up **1.9%** QoQ & **13%** YoY

Net Income at **US$ 307 mn**; up **0.6%** QoQ & **36%** YoY

TABLE OF CONTENTS

We have won multiple awards in corporate governance and excellence, emerging as a leader amongst our India listed peers. These awards include the ICSI Corporate Governance Award , Best Governed Company from the Asia Center for Corporate Governance and the CNBC Outstanding Company of the Year Award.

HIGHLIGHTS FOR THE QUARTER ENDED 30TH SEP, 2014

Amount in ₹ Crores

	Q1 FY'15	GROWTH	
		QoQ	YoY
REVENUE	8,735	3.7%	9.7%
EBIT	2,088	2.4%	10.2%
NET INCOME	1,873	2.1%	32.3%

Amount in US $ Million

	Q1 FY'15	GROWTH	
		QoQ	YoY
REVENUE	1,433	1.9% (3.2% cc)	12.8% (12.7% cc)
EBIT	342	0.5%	13.3%
NET INCOME	307	0.6%	36.1%

- Global Infrastructure Services Revenue grows at:
    - **5.2%** QoQ in Constant Currency & **19.6%** YoY
    - **3.5%** QoQ in Reported US$ & **16.9%** YoY
- Americas cross **US$ 3 billion** in revenue milestone on LTM basis
- Announces dividend of **₹6** per share, **47th** consecutive quarter of dividend payout
- Total Headcount at **95,522**. Gross & Net addition of **35,957** & **8,326** for LTM Sep'14 and **11,631** & **3,831** for Q1'15

CORPORATE OVERVIEW

“HCL has emerged as one of the strongest millennial companies in the technology industry today driven by its sector-leading growth and superior corporate governance credentials. We continued on this journey of excellence by adding new citations this quarter from prestigious industry bodies like All India Management Association and Institute of Company Secretaries of India”, said **SHIV NADAR**, Chairman and Chief Strategy Officer, HCL Technologies.

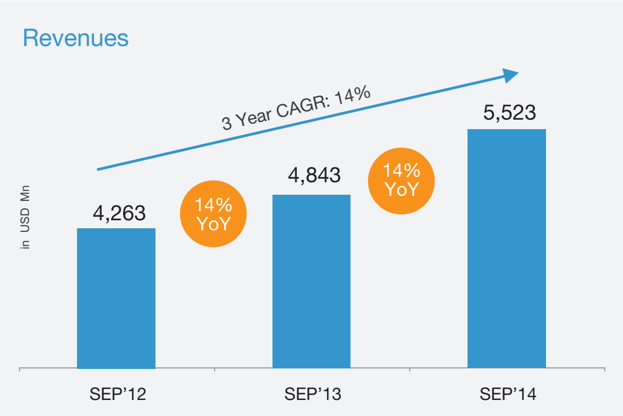
“We have posted another healthy quarter of broad-based growth led by a revenue increase of 3.2% QoQ in constant currency. Our customer acquisition momentum continues with yet another billion dollar quarter driven by strong growth in Global Infrastructure Services at 16.9% YoY & Engineering and R&D Services at 14.1% YoY. We have also added 15 Fortune 500/Global 2000 clients this quarter,” said **ANANT GUPTA**, CEO, HCL Technologies.

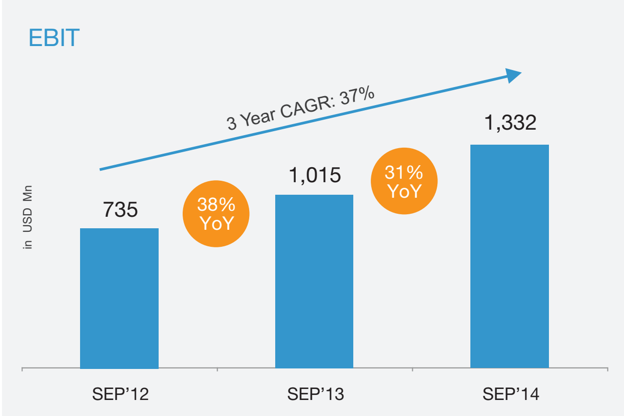
“Going forward our investments will continue in the three strategic markets of ITO, Engineering Services Outsourcing and the emerging Digitalization space which will enable a continued balanced business portfolio performance for the company”, he added.

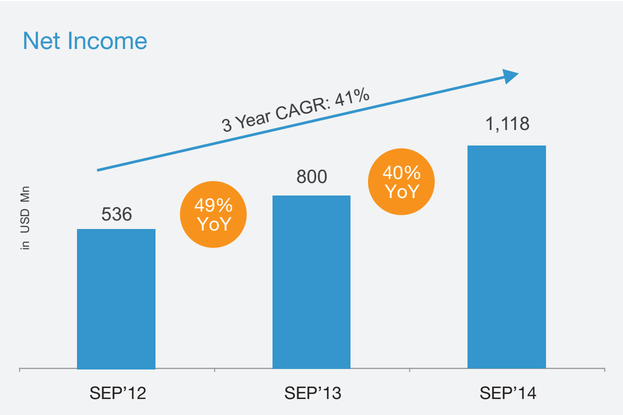
"Our broad based growth has enabled us to deliver industry-leading Net Income performance of 36.1% YoY. We remain focused on working capital management and free cash flow generation with ~70% of EBITDA converted into free cash flows in the last 12 months”, said **ANIL CHANANA**, CFO, HCL Technologies.

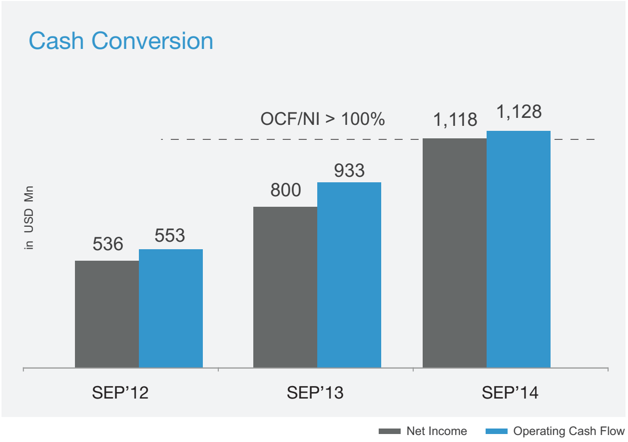
PERFORMANCE HIGHLIGHTS

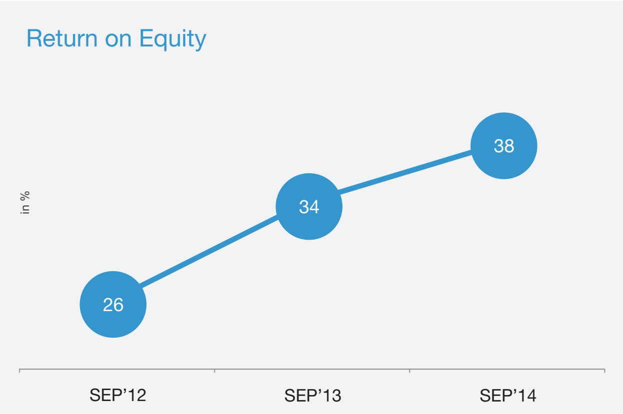
Overall Company : Performance Trends (LTM)

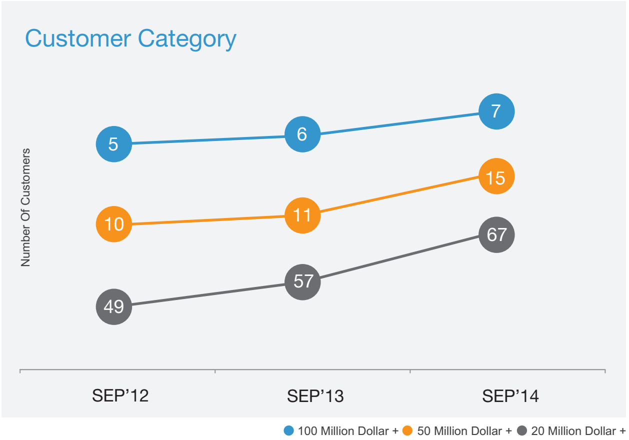












Our award winning employee-led platforms inspire everyday innovation, that leads to positive, beyond-the-contract business impact for our customers.

KEY CATALYSTS FOR GROWTH

QoQ REVENUE GROWTH IN CONSTANT CURRENCY

- Revenue grew by **3.2%**
- Americas and Europe grew by **5.7%** and **2.7%** respectively.
- Growth witnessed across key Service Offerings led by Engineering and R&D Services at **8.1%**, Enterprise Service Integration at **5.1%** and Global Infrastructure Services Revenue at **5.2%** QoQ
- Broad based growth across verticals led by Retail & CPG at **15.8%**, Manufacturing at **5.3%** and Financial Services at **3.0%**.

Revenue Growth (in US $)

PARTICULARS	SEGMENTS	30-SEP-14		
		CONSTANT CURRENCY (QOQ)	REPORTED (QOQ)	QUATERLY (YOY)
Consolidated	**For the Company**	**3.2%**	**1.9%**	**12.8%**
Geography	Americas	5.7%	5.7%	11.1%
	Europe	2.7%	-0.3%	20.8%
	ROW	-6.4%	-8.6%	1.9%
Services	Industry Application Services	-0.7%	-2.1%	6.0%
	Enterprise System Integration	5.1%	4.0%	8.9%
	Infrastructure Services	3.6%	1.9%	17.7%
	Business Services	1.1%	-0.2%	32.7%
	Engineering and R&D Services	8.1%	7.6%	14.1%
Verticals	Financial Services	3.0%	1.2%	22.6%
	Manufacturing	5.3%	4.4%	9.4%
	Lifesciences & Healthcare	-1.7%	-2.4%	-5.3%
	Public Services	-5.6%	-6.1%	33.8%
	Retail & CPG	15.8%	14.3%	30.0%
	Telecommunications, Media, Publishing & Entertainment	0.3%	-0.9%	7.4%

Note: Effective July 1st, 2014, Application Service Lines of CAS and EAS have been reclassified as under:
I. Industry Application Services (IAS) : All Application Management and Custom development services covering Maintenance, Testing, Enhancement and Development.

II. Enterprise System Integration (ESI) : Integrated Blueprinting, Implementation and Roll-out for COTS products across BI and Analytics, CRM / Multichannel, SCM, HCM, ERP etc – including on premise and SaaS.

TRANSFORMATIONAL AND BLUE CHIP CUSTOMER ACQUISITION

HCL has signed 15 Transformational engagements with more than US$ 1bn of Total Contract Value in this quarter. We recorded broad-based bookings led by Global Infrastructure Services, Engineering and R&D Services, Application Services and the Digitalization suite across Software Product and Platform Engineering. Manufacturing and Consumer Services led the wins in verticals and US in geographies.

CORPORATE EXCELLENCE

- Shiv Nadar, Founder & Chairman, HCL and Shiv Nadar Foundation has been awarded the 'AIMA Managing India Corporate Citizen Award 2014' by the All India Management Association.
- Shiv Nadar, Founder & Chairman, HCL and Shiv Nadar Foundation has been honored with the prestigious 'ICSI Lifetime Achievement Award 2013' for Excellence in Corporate Governance by Institute of Company Secretaries of India.
- Anant Gupta, CEO, HCL Technologies, has been appointed as the Chair of World Economic Forum's Steering Committee on Industrial Internet of Things.
- Roshni Nadar Malhotra, Director on the Board of HCL Technologies, has received the 'World's Most Innovative People Award in Philanthropic Innovation' by World Summit on Innovation and Entrepreneurship for her efforts in building VidyaGyan, a path-breaking initiative in rural leadership development by the Shiv Nadar Foundation.
- HCL has announced creation of more than 1200 jobs over the next five years in the Wake County of Cary, North Carolina, USA. This announcement was made by the North Carolina Governor, Pat McCrory. HCL also announced creation of a 125,000 sq. ft. facility in the city.
- HCL has won the European Outsourcing Association 'IT Outsourcing Project of the Year Award' for its successful IT Transformation project for a leading multinational pharmaceutical firm.
- HCL has won the coveted 'Technology Innovation Accelerated Award' at Intel Developer Forum 2014, in the "Consumer Solution" category for its Intel® Galileo-based Building Automation System (BAS).
- HCL Foundation has won National HRD Network's 'National CSR Case Contest' for its Education project, HCL Gurukul. The Foundation also joined hands with the Central Reserve Police Force (CRPF) to inaugurate two vocational training centers focused on digital literacy and employability training to soldiers disabled in action and ten new HCL Gurukuls (community youth centers) in partnership with the NGO, Pratham.

MARKET LEADERSHIP

IT Outsourcing (ITO)

We continue to see the Re-bid market driving non-linearity and proactive obsolescence in the ITO segment. HCL continues to lead this market through our EoF, ALT ASM™ and MyCloud™ propositions.

- HCL signed a multi-year deal with one of North America's largest electric utilities to provide comprehensive IT infrastructure support Datacenter, network, IT security and end user support across multiple regions.
- HCL has been awarded an IT Infrastructure Transformation contract by one of the world's leading diamond manufacturing companies. As part of this engagement, HCL will deliver end-to-end IT infrastructure services and transform the company's IT landscape across the globe.
- HCL has signed an integrated Infrastructure and Application Services deal with a leading Fortune 200 Global Retailer. The multi-tower contract encompasses application propositions like ALT ASM™, Business Analytics, Omni-Channel, Testing, Development, and Collaboration as well as end-to-end IT Infrastructure Services including Global Service Desk, Datacenter Operations, Network Operations, Retail store support, Security and Database support.
- HCL has signed an IT Infrastructure management contract with a leading US based Healthcare Payer organization.
- HCL has signed an IT Infrastructure contract with one of America's largest financial advisors for providing end-to-end IT Infrastructure services.
- HCL has signed a multi-million IT Infrastructure Services deal with a leading US based food and beverage company. The engagement covers Datacenter consolidation, Workplace services and management of Voice and Data Networks.
- HCL has won an IT Infrastructure Transformation engagement from a leading steel manufacturing company in Europe.
- HCL has been chosen by a leading auto component manufacturing company to build and deploy best-of-breed SAP solution for the customer in nine countries.
- HCL has signed an engagement with a leading European Universal Postal Service Provider for its ALT ASM™ Services in the areas of Central Functions and Customer Facing Applications.
- HCL has renewed a platform based Business Operations deal with a leading life and pension consolidator in the UK and Western Europe for a period of 11 years.
- HCL has been selected by an Australian Train Operator as a strategic partner to provide bespoke systems support services encompassing application development, support and maintenance services.

Engineering and R&D Services (ERS)

We continue to lead the Engineering Services Outsourcing space and are witnessing the market move from project-led engagements to a more structured full spectrum outsourcing.

- A leading global Telecom OEM has selected HCL as their strategic partner for long term engineering ownership of some of their flagship technology products in wireless domain. The engagement also involves HCL's concurrent participation in the development of new generation technologies for the company.

- HCL has been selected as an Engineering Services Partner for a leading US based medical devices organization. As part of this engagement HCL will support and provide services in the areas of new product development, product sustenance, end of life management and compliance to regulations. This will enable the client to increase overall R&D throughput in its various divisions.

- HCL has been chosen as a strategic Engineering and Technology Partner by a leading Aerospace company. As part of this engagement, HCL will take up the turnkey engineering responsibility for several flight critical systems and subsystems of the company. HCL will also set up Centers Of Excellence for Embedded Firmware, Software and Test Engineering which will help the client strengthen its existing and future aircraft programs.

- HCL has launched 'CTO Straight Talk', a first of its kind interactive magazine and application created especially for Product Engineering professionals. The inaugural issue of the magazine featured the theme of Enterprise Digitalization with a special focus on 'Internet of Experiences'.

Digitalization

HCL's unique position in Engineering Services and Enterprise Applications has provided a natural segue to the Digitalization proposition that we are taking to the market today which offers software product and platform engineering to companies looking for business model transformation.

- HCL has signed an engagement with a large US based multi-state gas utility for an application modernization program on its legacy mainframe billing software with SAP's Customer Relationship & Billing solution, ClickSoftware's Workforce Optimization and SAP's Mobile Work Manager. This digital transformation initiative will focus on improving the customer experience across multiple channels.

- HCL will implement a B2B Digital Platform for one of the world's leading global hygiene and forest products company. The platform will be rolled out in 50 countries.

- HCL has won a deal to design and implement an intelligent platform to study customer behavior for one of Japan's largest software companies.

- HCL has extended its partnership with SAP to include a wide scope of services around core business analytics, including Big Data, the SAP® 360 Customer solution, customer analytics and digital services.

- HCL announced a strategic partnership with AppDynamics to help enterprises transform application operations as part of its Digitalization offering.

- HCL has developed a Population Health Management Solution (PHM) platform which will support patient data analysis to help improve efficiencies in patient health management.

THOUGHT LEADERSHIP

- HCL has been positioned as a 'Leader' in Gartner Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America, 31 July 2014 by William Maurer, David Edward, Bryan Britz.*

- HCL has been positioned as a 'Leader' in Gartner Magic Quadrant for End-User Outsourcing Services, North America, 26 Aug 2014 by David Edward Ackerman, William Maurer, Bryan Britz.*

- HCL has been positioned as a 'Leader' in IDC MarketScape for Worldwide Cloud Professional Services 2014 Vendor Assessment, doc #250238, August 2014. According to the report "HCL offers an enterprise-class cloud services delivery platform that covers the entire range of customer requirements from dedicated infrastructure stack to hybrid cloud environment".

- HCL has been ranked as a 'Leader' in Global R&D Services by leading analyst firm Zinnov in its 'Global Service Providers Ratings, 2014'.

- HCL has been recognized as a Life Sciences IT outsourcing 'Leader' and a 'Star Performer' by the leading advisory and research firm Everest Group in its PEAK Matrix™ Assessment 2014 report on "IT Outsourcing in Life Sciences Industry."

- Ovum has published an exclusive case study on HCL's engagement with Bekaert titled "HCL-Bekaert: Transitioning service providers and fine-tuning the global services approach", Aug -14, 2014. "The contract between Bekaert and HCL is a good example of the evolution of sourcing strategies and the maturation of client sourcing organizations", the report said.

- HCL and Frost & Sullivan have jointly announced the Engineering Excellence Awards 2014, which were won by Brocade Communications Systems Inc. for 'Excellence in New Product Launch', The Boeing Company for 'Excellence in Technology Innovation' and Ericsson for 'Excellence in Engineering Operations'. Engineering Excellence Awards is a joint initiative of Frost & Sullivan and HCL Technologies to recognize the 'Excellence in Engineering Partnerships' that have helped address some of the most challenging engineering problems by the customers of HCL Technologies.

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FINANCIALS IN US$ FOR THE QUARTER ENDED 30TH SEP 2014 (US GAAP)

CONSOLIDATED INCOME STATEMENT

Amount in US $ Million

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	30-SEP-13	30-JUN-14	30-SEP-14	YoY	QoQ
Revenues	**1,270.3**	**1,406.9**	**1,433.5**	**12.8%**	**1.9%**
Direct Costs	775.2	870.6	906.3		
Gross Profits	**495.1**	**536.3**	**527.2**	**6.5%**	**-1.7%**
SG & A	161.2	166.0	167.7		
EBITDA	**333.8**	**370.4**	**359.5**	**7.7%**	**-2.9%**
Depreciation	29.5	27.6	15.0		
Amortisation	2.0	2.1	2.0		
EBIT	**302.3**	**340.7**	**342.4**	**13.3%**	**0.5%**
Foreign Exchange Gains/(loss)	(37.7)	(9.4)	(8.7)		
Other Income, net	18.3	34.8	58.6		
Provision for Tax	57.2	60.6	85.1		
Minority Interest	0.03	0.01	0.01		
Net Income	**225.6**	**305.4**	**307.2**	**36.1%**	**0.6%**
Gross Margin	39.0%	38.1%	36.8%		
EBITDA Margin	26.3%	26.3%	25.1%		
EBIT Margin	23.8%	24.2%	23.9%		
Net Income Margin	17.8%	21.7%	21.4%		
Earnings Per Share					
Annualized in US $					
Basic	1.29	1.75	1.75	**35.5%**	
Diluted	1.28	1.73	1.74	**36.4%**	
Weighted average Number of Shares					
Basic	697,142,898	699,683,852	700,622,627		
Diluted	706,903,779	706,569,869	705,709,592		

OUTSTANDING OPTIONS (in equivalent no of shares)	30-SEP-13	30-JUN-14	30-SEP-14
Options at market price	2,408,004	1,382,108	-
Options at less than market price	8,819,964	6,877,544	6,517,212

The options will vest in tranches till 2018

"We like these guys! We like HCL. We want them to succeed. So we're willing to put time in to help them succeed. When you have a customer that's willing to say that in front of 20 or so executives, it speaks of character and the status of that supplier or partner" – CIO of a North American high-tech manufacturing company.

CONSOLIDATED BALANCE SHEET

Amount in US $ Million

PARTICULARS	AS ON	
	30-JUN-14	30-SEP-14
Assets		
Cash and Cash Equivalents	169.6	127.6
Accounts Receivables, net	944.4	885.4
Unbilled Receivables	336.3	430.0
Fixed Deposits	1,390.7	1,444.9
Investment Securities, held to maturity	35.2	8.1
Investment Securities, available for sale	66.0	18.0
Other Current Assets	353.0	350.5
Total Current Assets	**3,295.2**	**3,264.5**
Property and Equipments, net	522.8	541.1
Intangible Assets, net	855.5	835.2
Investments in Equity Investee	2.6	3.0
Other Assets	389.8	432.6
Total Assets	**5,065.9**	**5,076.4**
Liabilities & Stockholders Equity		
Current Liabilities	1,361.8	1,334.4
Borrowings	124.8	107.3
Other Liabilities	242.8	229.0
Total Liabilities	**1,729.4**	**1,670.7**
Total Stockholders Equity	**3,336.5**	**3,405.7**
Total Liabilities and Stockholders Equity	**5,065.9**	**5,076.4**

CONSOLIDATED CASH FLOW STATEMENT

Amount in US $ Million

PARTICULARS	FOR QUARTER ENDED SEP'14	FOR YEAR ENDED JUN'14
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	**307.2**	**1,037.0**
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	17.1	119.3
Others	(30.4)	(38.2)
Changes in Assets and Liabilities, net		
Accounts Receivable	(71.2)	(240.9)
Other Assets	(53.8)	(10.2)
Current Liabilities	40.8	219.7
Net Cash provided by Operating Activities	**209.7**	**1,086.7**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(62.6)	(118.0)
Proceeds from sale of property and equipment (including advance)	0.6	38.9
(Purchase) / Sale of Investments	84.5	12.1
Fixed Deposits (increase) / decrease	(90.8)	(774.8)
Net Cash used in Investing Activities	**(68.4)**	**(841.9)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Employees Stock Options	1.6	5.6
Repayment of Debentures	(82.0)	-
Dividend	(160.2)	(212.3)
Proceeds from short term borrowing	67.0	8.3
Others	(0.8)	(1.3)
Net Cash provided by (used in) Financing Activities	**(174.3)**	**(199.7)**
Effect of Exchange Rate on Cash and Cash Equivalents	(8.9)	1.2
Net Increase/ (Decrease) in Cash and Cash Equivalents	(41.9)	46.3
CASH AND CASH EQUIVALENTS		
Beginning of the Period	169.6	123.3
End of the Period	**127.6**	**169.6**

REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

GEOGRAPHIC MIX	30-SEP-13	30-JUN-14	30-SEP-14	LTM MIX
Americas	57.2%	54.3%	56.3%	55.7%
Europe	30.2%	33.0%	32.3%	32.1%
ROW	12.6%	12.7%	11.4%	12.2%

SERVICE MIX	30-SEP-13	30-JUN-14	30-SEP-14	LTM MIX
Industry Application Services	29.5%	28.8%	27.7%	28.7%
Enterprise System Integration	16.3%	15.4%	15.7%	15.7%
Infrastructure Services	33.1%	34.5%	34.5%	34.3%
Business Services	4.3%	5.1%	5.0%	4.8%
Engineering and R&D Services	16.9%	16.2%	17.1%	16.5%

REVENUE BY VERTICAL	30-SEP-13	30-JUN-14	30-SEP-14	LTM MIX
Financial Services	26.0%	28.4%	28.2%	27.4%
Manufacturing	33.3%	31.6%	32.3%	32.7%
Lifesciences & Healthcare	11.6%	10.2%	9.8%	10.3%
Public Services	7.8%	10.1%	9.3%	9.7%
Retail & CPG	8.3%	8.5%	9.5%	8.8%
Telecommunications, Media, Publishing & Entertainment	9.1%	8.9%	8.7%	8.7%
Others	3.9%	2.3%	2.2%	2.5%

Note: Effective July 1st, 2014, Application Service Lines of CAS and EAS have been reclassified as under:
I. Industry Application Services (IAS) : All Application Management and Custom development services covering Maintenance, Testing, Enhancement and Development.

II. Enterprise System Integration (ESI) : Integrated Blueprinting, Implementation and Roll-out for COTS products across BI and Analytics, CRM / Multichannel, SCM, HCM, ERP etc – including on premise and SaaS.

REVENUE BY CONTRACT TYPE	30-SEP-13	30-JUN-14	30-SEP-14
Managed Services & Fixed Price Projects	54.7%	56.5%	56.3%
Time & Material	45.3%	43.5%	43.7%

CONSTANT CURRENCY (CC) REPORTING

REPORTED	30-SEP-13	31-DEC-13	31-MAR-14	30-JUN-14	30-SEP-14
Revenue ($ Mn)	1,270.3	1,321.3	1,361.2	1,406.9	1,433.5
Growth QoQ	3.5%	4.0%	3.0%	3.4%	1.9%
Growth YoY	14.1%	14.5%	14.3%	14.6%	12.8%
CONSTANT CURRENCY (QoQ)	**30-SEP-13**	**31-DEC-13**	**31-MAR-14**	**30-JUN-14**	**30-SEP-14**
Revenue ($ Mn)	1,272.2	1,308.9	1,360.1	1,399.2	1,451.6
Growth QoQ	3.6%	3.0%	2.9%	2.8%	3.2%
CONSTANT CURRENCY (YoY)	**30-SEP-13**	**31-DEC-13**	**31-MAR-14**	**30-JUN-14**	**30-SEP-14**
Revenue ($ Mn)	1,281.0	1,328.5	1,365.2	1,387.9	1,432.0
Growth YoY	15.0%	15.1%	14.7%	13.1%	12.7%

AVERAGE RATES FOR QUARTER	30-SEP-13	31-DEC-13	31-MAR-14	30-JUN-14	30-SEP-14
USD INR	62.9	61.9	61.4	59.9	60.9
GBP USD	1.56	1.63	1.66	1.69	1.65
EURO USD	1.33	1.37	1.37	1.37	1.30
SGD USD	0.79	0.80	0.79	0.80	0.80
AUD USD	0.91	0.92	0.90	0.93	0.91

PARTICULARS	SEGMENT	REVENUE GROWTH IN CONSTANT CURRENCY QUARTER ENDED	
		30-JUN-14	30-SEP-14
Consolidated	For the Company	2.8%	3.2%
Geography	Americas	1.3%	5.7%
	Europe	6.5%	2.7%
	ROW	0.1%	-6.4%
Services	Industry Application Services	1.5%	-0.7%
	Enterprise System Integration	-0.4%	5.1%
	Infrastructure Services	3.1%	3.6%
	Business Services	16.8%	1.1%
	Engineering and R&D Services	3.7%	8.1%
Verticals	Financial Services	8.2%	3.0%
	Manufacturing	-2.4%	5.3%
	Lifesciences & Healthcare	0.8%	-1.7%
	Public Services	1.9%	-5.6%
	Retail & CPG	2.4%	15.8%
	Telecommunications, Media, Publishing & Entertainment	9.5%	0.3%
	Others	4.0%	-0.1%
Clients (LTM)	Top 5	1.0%	0.9%
	Top 10	1.3%	0.3%
	Top 20	1.6%	0.7%

"Getting a new partner on board is like getting a business-spouse. Of course there'll be challenges, but right from the transition period, the team at HCL worked with us efficiently, with great collaboration. We knew that we'd made the right decision. We work like one team" - VP & CIO of a multinational manufacturing company.

CLIENT METRICS

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	30-SEP-13	30-JUN-14	30-SEP-14	QoQ CHANGE	YoY CHANGE
100 Million dollar +	6	6	7	1	1
50 Million dollar +	11	15	15	-	4
40 Million dollar +	19	18	20	2	1
30 Million dollar +	29	37	37	-	8
20 Million dollar +	57	67	67	-	10
10 Million dollar +	105	114	115	1	10
5 Million dollar +	184	187	193	6	9
1 Million dollar +	427	429	428	(1)	1

CLIENT CONTRIBUTION TO REVENUE (LTM)	30-SEP-13	30-JUN-14	30-SEP-14	QoQ GROWTH
Top 5 Clients	15.1%	14.7%	14.4%	0.9%
Top 10 Clients	23.8%	23.7%	23.1%	0.4%
Top 20 Clients	33.2%	33.7%	33.0%	0.9%

CLIENT BUSINESS	30-SEP-13	30-JUN-14	30-SEP-14
New Clients	4.9%	3.6%	3.8%
Existing Clients	95.1%	96.4%	96.2%
Days Sales Outstanding - excluding unbilled receivables	**59**	**60**	**56**

HEADCOUNT & UTILIZATION

MANPOWER DETAILS	30-SEP-13	30-JUN-14	30-SEP-14
Total Employee Count	**87,196**	**91,691**	**95,522**
Technical	79,105	83,312	87,029
Support	8,091	8,379	8,493
Gross addition	8,061	8,442	11,631
Attrition - IT Services (LTM)	16.1%	16.9%	16.6%
Attrition - Business Services (Quarterly)	6.5%	5.3%	5.9%
Blended Utilization (Including Trainees)	84.9%	84.5%	82.7%

Note: Attrition excludes involuntary attrition

FACILITIES

AS ON 30TH SEP 2014	COMPLETED		WORK IN PROGRESS	
DELIVERY LOCATIONS	BUILT UP AREA (SQ. FT.)	NO. OF SEATS	BUILT UP AREA (SQ. FT.)	NO. OF SEATS
National Capital Region	2,840,096	30,046	2,533,311	12,676
Chennai	4,403,365	38,869	-	-
Bangalore	1,911,633	16,747	323,722	1,735
Others (India Delivery Locations)	358,462	4,091	-	-
Global (Outside India)	790,778	9,350	-	-
Total	**10,304,334**	**99,103**	**2,857,033**	**14,411**

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

Amount in US $ Million

	30-SEP-14
Cash & Cash Equivalents	128
Fixed Deposits	1,445
Investments Securities, Held to maturity	8
Investment Securities, Available for Sale	18
Total Funds	**1,599**

	30-SEP-14
Short term borrowing	**107**

**Note: For details please refer: http://www.hcltech.com/Q1_15_Details_Cash-Borrowings*

"The HCL Customer Advisory Council is one of the few areas where I feel there is a clear return on investment on my time. It is a great example of successful knowledge sharing among IT leaders and between them as a group and one of their IT partners (HCL)" – VP, IT & CIO of an American technology company.

FINANCIALS IN ₹ FOR THE QUARTER ENDED 30TH SEP 2014 (US GAAP)

CONSOLIDATED INCOME STATEMENT

Amount in ₹ Crores

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	30-SEP-13	30-JUN-14	30-SEP-14	YoY	QoQ
Revenues	**7,961**	**8,424**	**8,735**	**9.7%**	**3.7%**
Direct Costs	4,858	5,215	5,522		
Gross Profits	**3,103**	**3,208**	**3,213**	**3.5%**	**0.1%**
SG & A	1,010	992	1,021		
EBITDA	**2,093**	**2,216**	**2,192**	**4.7%**	**-1.1%**
Depreciation	185	165	92		
Amortisation	13	12	12		
EBIT	**1,895**	**2,038**	**2,088**	**10.2%**	**2.4%**
Foreign Exchange Gains/(loss)	(236)	(53)	(53)		
Other Income, net	116	211	358		
Provision for Tax	359	362	519		
Minority Interest	0.20	0.05	0.05		
Net Income	**1,416**	**1,834**	**1,873**	**32.3%**	**2.1%**
Gross Margin	39.0%	38.1%	36.8%		
EBITDA Margin	26.3%	26.3%	25.1%		
EBIT Margin	23.8%	24.2%	23.9%		
Net Income Margin	17.8%	21.8%	21.4%		
Earnings Per Share					
Annualized in ₹					
Basic	81	105	107	**31.7%**	
Diluted	80	104	106	**32.5%**	
Weighted average Number of Shares					
Basic	697,142,898	699,683,852	700,622,627		
Diluted	706,903,779	706,569,869	705,709,592		

OUTSTANDING OPTIONS (in equivalent no of shares)	30-SEP-13	30-JUN-14	30-SEP-14
Options at market price	2,408,004	1,382,108	-
Options at less than market price	8,819,964	6,877,544	6,517,212

The options will vest in tranches till 2018

We listen to and learn from our customers so we can rapidly respond to industry pain points. This has given us future ready, service offerings that fundamentally transform the relationship between business strategy and IT.

CONSOLIDATED BALANCE SHEET

Amount in ₹ Crores

PARTICULARS	AS ON	
	30-JUN-14	30-SEP-14
Assets		
Cash and Cash Equivalents	1,021	788
Accounts Receivables, net	5,684	5,469
Unbilled Receivables	2,024	2,656
Fixed Deposits	8,370	8,924
Investment Securities, held to maturity	212	50
Investment Securities, available for sale	397	111
Other Current Assets	2,125	2,165
Total Current Assets	**19,833**	**20,163**
Property and Equipments, net	3,147	3,342
Intangible Assets, net	5,149	5,158
Investments in Equity Investee	12	15
Other Assets	2,346	2,672
Total Assets	**30,487**	**31,350**
Liabilities & Stockholders Equity		
Current Liabilities	8,197	8,242
Borrowings	751	663
Other Liabilities	1,462	1,415
Total Liabilities	**10,409**	**10,319**
Total Stockholders Equity	**20,078**	**21,031**
Total Liabilities and Stockholders Equity	**30,487**	**31,350**

ABOUT HCL TECHNOLOGIES

HCL Technologies is a leading global IT services company working with clients in the areas that impact and redefine the core of their businesses. Since its emergence on global landscape after its IPO in 1999, HCL has focused on 'transformational outsourcing', underlined by innovation and value creation, offering an integrated portfolio of services including software-led IT solutions, remote infrastructure management, engineering and R&D services and Business services. HCL leverages its extensive global offshore infrastructure and network of offices in 31 countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare & Life sciences. HCL takes pride in its philosophy of 'Employees First, Customers Second' which empowers its 95,522 transformers to create real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US$ 5.5 billion, as on 30th September 2014 (on LTM basis). For more information, please visit www.hcltech.com

SAFE HARBOR STATEMENT

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in IT services, Business Process Outsourcing and consulting services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and fee structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost effective and timely manner, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies / entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property, other risks, uncertainties and general economic conditions affecting our industry. There can be no assurance that the forward looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved. All forward looking statements made herein are based on information presently available to the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

TALK
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Hi, I am an ideapreneur. I believe that sustainable business outcomes are driven by relationships nurtured through values like trust, transparency and flexibility. I respect the contract, but will do whatever it takes, over and above it, to ensure your success. Right now 95,000 ideapreneurs are in a Relationship Beyond the Contract™ with 500 customers in 31 countries. How can I help you?

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

Amount in US $ Million

	30-SEP-14
Cash and Cash Equivalents	127.6
Fixed Deposits	1,444.9
Investment Securities, held to maturity	8.1
Investment Securities, available for Sale	18.0
Total	**1,598.6**

	30-SEP-14
Borrowings	**107.3**

A. DETAILS OF CASH & CASH EQUIVALENTS

Amount in US $ Million

BANK NAME	COUNTRY	30-SEP-14
Citi bank	Singapore	14.3
Citi bank	China	9.9
Citi bank	Sweden	8.1
Deutsche Bank	America	4.9
Deutsche Bank	France	2.7
Citi bank	Japan	2.6
Citi bank	Brazil	2.5
Citi bank	India	2.5
Deutsche Bank	Poland	2.0
Citi bank	Australia	1.9
Citi bank	Finland	1.9
Standard Chartered Bank	India	1.6
BNP Paribus	Saudi Arabia	1.6
Bank of America	Canada	1.6
Citi bank	Italy	1.4
Citi bank	Philippines	1.4
Citi bank	Chile	1.3
Wells Fargo Bank	America	1.2
BNP Paribus	Ireland	1.1
Deutsche Bank	Spain	1.0
Others		61.9
Grand Total		**127.6**

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS (CONTD).

B. FIXED DEPOSITS

Amount in US $ Million

	30-SEP-14
Bank of Baroda	194.2
Bank of India	193.6
Canara Bank	189.6
Corporation Bank	134.9
HDFC Ltd	169.8
Oriental Bank of Commerce	106.9
Punjab National Bank	129.4
State Bank of Bikaner & Jaipur	40.5
State Bank of Hyderabad	57.3
State Bank of India	0.3
State Bank of Mysore	1.0
State Bank of Patiala	48.5
State Bank of Travancore	40.5
Union Bank of India	138.5
Total Fixed Deposit	**1,444.9**

C. INVESTMENT SECURITIES, AVAILABLE FOR SALE

Mutual Funds Liquid Schemes	18.0
Total Investment Securities, available for Sale	**18.0**

D. INVESTMENT SECURITIES, HELD TO MATURITY

Tax Free Bonds	
IRFC Tax Free Bonds (Series 68)	8.1
Total Investment Securities, held to maturity	**8.1**

Grand Total (B+C+D)	**1,471.0**

DETAILS OF LOANS

Working Capital Loans	107.3
Total Loans	**107.3**

HCL Technologies Limited and Subsidiaries

Consolidated Financial Statements

For The Three Months Period ended September 30, 2014 and 2013

With Review Report of Independent Auditors

HCL Technologies Limited and Subsidiaries
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Review Report of Independent Auditors

The Board of Directors
HCL Technologies Limited

We have reviewed the condensed consolidated financial information of HCL Technologies Limited and subsidiaries, which comprises the condensed consolidated balance sheet as of September 30, 2014, and the related condensed consolidated statements of income, comprehensive income and cash flows for the three-month periods ended September 30, 2013 and 2014.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of the condensed financial information in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in conformity with U.S. generally accepted accounting principles.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial information referred to above for it to be in conformity with U.S. generally accepted accounting principles.

Report on Condensed Balance Sheet as of June 30, 2014

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of HCL Technologies Limited and subsidiaries as of June 30, 2014, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 31, 2014. In our opinion, the accompanying condensed consolidated balance sheet of HCL Technologies Limited and subsidiaries as of June 30, 2014, is consistent, in all material respects, with the consolidated balance sheet from which it has been derived.

Ernst & Young Associates LLP

October 17, 2014

HCL Technologies Limited and Subsidiaries
Condensed Consolidated Balance Sheets
Amount in thousands, except share and per share data

	As of	
	June 30, 2014	September 30, 2014 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	$169,563	$127,635
Term deposits with banks	1,295,823	1,275,038
Deposit with corporation	94,872	169,844
Accounts receivable, net	944,403	885,363
Unbilled revenue	336,328	430,024
Investment securities, available for sale	65,982	18,010
Investment securities, held to maturity	35,231	8,096
Inventories	20,321	8,879
Deferred income taxes	75,060	70,605
Other current assets	257,595	271,021
Total current assets	**3,295,178**	**3,264,515**
Deferred income taxes	148,397	150,320
Investments in affiliates	2,696	3,133
Property and equipment, net	522,794	541,104
Intangible assets, net	37,447	33,823
Goodwill	818,074	801,348
Other assets	241,410	282,295
Total assets (a)	**$5,065,996**	**$5,076,538**

See accompanying notes.

HCL Technologies Limited and Subsidiaries

Condensed Consolidated Balance Sheets

Amount in thousands, except share and per share data

	As of	
	June 30, 2014	September 30, 2014 (Unaudited)
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of capital lease obligations	$15,697	$15,849
Accounts payable	104,948	111,231
Short term borrowings	34,196	100,780
Current portion of long term debt	85,916	2,622
Accrued employee costs	240,986	212,432
Deferred revenue	130,744	141,583
Deferred income taxes	6,910	6,446
Income taxes payable	148,571	148,254
Other current liabilities	713,976	698,580
Total current liabilities	**1,481,944**	**1,437,777**
Long term debt	4,648	3,886
Capital lease obligations, net of current portion	28,689	24,202
Deferred income taxes	11,529	10,789
Accrued employee costs	79,786	79,252
Deferred revenue	98,170	91,325
Other liabilities	24,653	23,463
Total liabilities (a)	**$1,729,419**	**$1,670,694**
Commitments and contingencies (Note 19)		
HCL Technologies Limited Shareholders' Equity		
Equity shares, ` 2 par value, authorized 750,000,000 shares		
Issued and outstanding 699,976,381 and 701,303,613 shares as of June 30, 2014 and September 30, 2014, respectively	34,560	34,604
Additional paid-in capital	718,259	723,408
Shares application money pending allotment	1,582	370
Retained earnings	2,956,054	3,102,940
Accumulated other comprehensive loss	(373,954)	(455,562)
HCL Technologies Limited Shareholders' Equity	**3,336,501**	**3,405,760**
Noncontrolling interest	76	84
Total equity	**3,336,577**	**3,405,844**
Total liabilities and equity	**$5,065,996**	**$5,076,538**

(a) Consolidated assets at June 30, 2014 and September 30, 2014 include assets totaling $14,251 and $17,184, respectively, of certain variable interest entities (VIE's) that can only be used to settle the liabilities of those VIEs. Consolidated liabilities at June 30, 2014 and September 30, 2014, include liabilities of certain VIEs for which the VIEs creditors do not have recourse to HCL Technologies Limited and Subsidiaries (Note 6).

See accompanying notes.

HCL Technologies Limited and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
Amount in thousands, except share and per share data

	Three months ended September, 30 (Unaudited)	
	2013	**2014**
Revenues	**$1,270,292**	**$1,433,497**
Cost of revenues (exclusive of depreciation and amortization)	775,220	906,331
Gross profit	**495,072**	**527,166**
Selling, general and administrative expenses	161,248	167,671
Depreciation and amortization	31,536	17,077
Other (income) expenses, net	15,128	(54,533)
Finance cost	4,270	4,626
Income before income taxes	**282,890**	**392,325**
Provision for income taxes	57,229	85,135
Net income	**225,661**	**307,190**
Net income attributable to noncontrolling interest	32	8
Net income attributable to HCL Technologies Limited shareholders	**$225,629**	**$307,182**
Earnings per equity share		
Basic	$0.32	$0.44
Diluted	$0.32	$0.44
Weighted average number of equity shares used in computing earnings per equity share		
Basic	697,142,898	700,622,627
Diluted	706,903,779	705,709,592

See accompanying notes.

HCL Technologies Limited and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
Amount in thousands, except share and per share data

	Three months ended September 30, (Unaudited)	
	2013	**2014**
Net income attributable to HCL Technologies Limited shareholders	**$225,629**	**$307,182**
Other comprehensive income (loss) net of taxes:		
Change in unrealized gain (loss) on cash flow hedges, net of taxes $5,343 and ($2,229) for the three months ended September 30, 2013 and 2014, respectively.	(46,755)	8,008
Change in unrealized gain (loss) on securities available for sale, net of taxes $52 and $158 for the three months ended September 30, 2013 and 2014, respectively.	(625)	(310)
Change in unrealized gain (loss) on defined benefit plan, net of taxes ($16) and Nil for the three months ended September 30, 2013 and 2014, respectively.	191	5
Change in foreign currency translation	(53,584)	(89,311)
Other comprehensive income (loss)	**(100,773)**	**(81,608)**
Total Comprehensive income	**$124,856**	**$225,574**

HCL Technologies Limited and Subsidiaries
Condensed Consolidated Statements of Cash Flows
Amount in thousands

	Three months period ended September, 30 (Unaudited)	
	2013	2014
Cash flows from operating activities		
Net income	**$225,661**	**$307,190**
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	31,536	17,077
Deferred income taxes	(9,493)	(4,681)
Gain on sale of property and equipment	(50)	(25,453)
Stock based compensation expense	2,937	1,662
Excess tax benefit related to stock options exercise	(762)	(663)
Gain on sale of investment securities	(2,950)	(1,824)
Equity in earnings of affiliates	(382)	(437)
Others, net	11,758	1,036
Changes in assets and liabilities, net of effects of acquisitions		
Accounts receivable and unbilled revenue	(151,650)	(71,194)
Other assets	7,459	(53,831)
Accounts payable	(10,955)	(2,679)
Accrued employee costs	2,417	(20,659)
Other liabilities	62,909	64,134
Net cash provided by operating activities	**168,435**	**209,678**
Cash flows from investing activities		
Investment in term deposit with banks	(266,138)	(286,701)
Proceeds from term deposit with banks on maturity	117,988	274,273
Investment in term deposits with corporation	(16,135)	(94,980)
Proceeds from term deposits with corporation on maturity	15,947	16,568
Purchase of property and equipment	(19,870)	(62,599)
Proceeds from sale of property and equipment	239	566
Purchase of investment securities	(329,559)	(380,531)
Proceeds from sale of investment securities	304,038	465,017
Net cash used in investing activities	**(193,490)**	**(68,387)**
Cash flows from financing activities		
Payment of principal under capital lease obligations	(2,647)	(1,443)
Proceeds from short term borrowings	13,555	118,046
Repayment of short term borrowings	-	(50,205)
Proceeds from issuance of long term debt	666	-
Repayment of long term debt	(1,280)	(798)
Repayment of redeemable secured non – convertible debentures	-	(82,020)
Proceeds from issuance of equity shares	1,067	1,252
Proceeds from subscription of shares pending allotment	1,447	397
Dividend paid	(3)	(160,233)
Excess tax benefit related to stock options exercise	762	663
Net cash provided by (used in) financing activities	**13,567**	**(174,341)**
Effect of exchange rate changes on cash and cash equivalents	(14,988)	(8,878)
Net decrease in cash and cash equivalents	(26,476)	(41,928)
Cash and cash equivalents at the beginning of the period	123,262	169,563
Cash and cash equivalents at the end of the period	**$96,786**	**$127,635**

See accompanying notes.

1. ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Limited (the "Company" or the "Parent Company") along with its subsidiaries (hereinafter collectively referred to as the "Group") is primarily engaged in providing a range of software development services, business process outsourcing services and IT infrastructure services. The Company was incorporated in India in November 1991. The Group leverages its offshore infrastructure and professionals to deliver solutions across select verticals including financial services, manufacturing (automotive, aerospace, Hi-tech, semi conductors), telecom, retail and consumer products, media, publishing and entertainment, public services, energy and utility, healthcare, and travel, transport and logistics.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and principles of consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of HCL Technologies Limited and its subsidiaries and are prepared on the basis of U. S. generally accepted accounting principles ("U.S. GAAP") for interim financial reporting to reflect the financial position and results of operations of the Group. The unaudited interim condensed consolidated financial statements reflect all adjustments (of a normal and recurring nature) which the management considers necessary for a fair presentation of such statements for these periods. The results for the interim periods presented are not necessarily indicative of the results that may be expected for the full year or for any subsequent period.

The accompanying balance sheet as of June 30, 2014 is derived from audited financial statements but does not include all of the financial information and footnotes required by US GAAP for complete financial statements.

The Group uses the United States Dollar ('$' or 'USD') as its reporting currency.

These unaudited condensed consolidated financial statements include the accounts of all subsidiaries which are more than 50% owned and controlled by the Company. In addition, relationships with other entities are reviewed to assess if the Company is the primary beneficiary in any variable interest entity. If it is determined that the Company is the primary beneficiary, then that entity is consolidated. All intercompany accounts and transactions are eliminated on consolidation. Non controlling interest represents the minority shareholders' proportionate share of the net assets and the results of operations of the Company's majority owned subsidiaries.

Issuance of shares by a subsidiary to third parties reduces the proportionate ownership interest of the Company in the subsidiary. A change in the carrying value of the investment in such subsidiary due to direct sale of un-issued equity shares is accounted for as a capital transaction and is recognized in equity when the transaction occurs.

The Group accounts for investments by the equity method where its investment in the voting stock gives it the ability to exercise significant influence over the affiliate.

The Group's equity in the profits (losses) of affiliate is included in the condensed consolidated statements of income unless the carrying amount of an investment is reduced to zero and the Group is under no guaranteed obligation or otherwise committed to provide further financial support. The Group's share of net assets of affiliate is included in the carrying amount of the investment in the condensed consolidated balance sheet. A transaction of an affiliate of a capital nature, which affects the investor's share of stockholders' equity of the affiliate, is accounted for as if the affiliate was a consolidated subsidiary.

(b) Use of estimates

The preparation of financial statements in conformity with US GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the consolidated financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to accounting for costs expected to be incurred to complete performance under IT service arrangements, allowance for uncollectible accounts receivables and unbilled revenue, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, equipment and intangible assets, impairment of property, equipment, intangibles and goodwill, valuation allowances for deferred tax assets, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

(c) Functional currency and translation

The functional currency of each entity in the Group is its respective local currency except for four subsidiaries outside India which use the Indian Rupee ('INR') as their functional currency. The functional currency of the Parent Company is INR. The translation from functional currency into USD (the reporting currency) for assets and liabilities is performed using the exchange rates in effect at the balance sheet date, and for revenue, expenses and cash flows it is performed using an appropriate daily weighted average exchange rate for the respective periods. The gains (losses) resulting from such translation are reported as a component of 'other comprehensive income (loss)'.

Foreign currency denominated assets and liabilities are re-measured into the functional currency at exchange rates in effect at the balance sheet date. Foreign currency transaction gains and losses are recorded in the condensed consolidated statement of income within 'other income'. Any difference in intercompany balance arising because of elimination of intercompany transaction is recorded in 'other comprehensive income (loss)'.

(d) Revenue recognition

The Group derives revenues primarily from

- Software development services;
- Business process outsourcing services; and
- IT Infrastructure services

Revenue is only recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured.

Software development services:

Revenues from software development services comprise income from time-and-material, fixed price and recurring fixed billing contracts. Revenue with respect to time-and-material contracts is recognized as the related services are performed. Revenue related to fixed price and fixed time frame contracts providing application maintenance and support services, is recognized ratably over the term of contract. Revenue related to fixed price contracts providing non-complex IT development services is recognized in accordance with the proportionate performance method. The input (efforts expended) method is used to measure progress towards completion, as there is a direct relationship between input and productivity. Costs are recorded as incurred over the contract period. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. In arrangements involving sharing of customer revenues, revenue is recognized when the amounts are known and the right to receive is established. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned.

Business process outsourcing services:

Revenues from business process outsourcing services are derived from both time-based and unit-priced contracts. Revenue is recognized as the related services are performed in accordance with the specific terms of the contracts with the customer.

IT infrastructure services:

The Group provides infrastructure services ranging from simple contracts involving sale of equipment and installation with subsequent maintenance to complex network building and outsourcing arrangements.

Revenue from infrastructure management services comprises of income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as the related services are performed.

Revenue from product sales are shown net of sales tax and applicable discounts and allowances. Revenue from bandwidth and other services is recognized upon actual usage of such services by customers based on either the time for which these services are provided or volume of data transferred or both and excludes service tax. Revenue related to product with installation services that are critical to the product is recognized when installation of networking equipment at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non receipt of acceptance from the customer, the cost of the delivered item is also deferred. Revenue from maintenance services is recognized ratably over the period of the contract.

Revenue from fixed-price complex network building contracts is recognized in accordance with the Percentage-Of-Completion (POC) method. Under the POC method, revenue is recognized based on costs incurred to date as a percentage of the total costs to fulfill the contract. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the period in which the circumstances that gave rise to the revision become known to the management. If at any time these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as hardware and software products, licenses and/or services, revenue for each element is based on a selling price hierarchy. The selling price for a deliverable is based on its vendor specific objective evidence (‘VSOE’) if available, third party evidence (‘TPE’) if VSOE is not available, or estimated selling price (‘ESP’) if neither VSOE nor TPE is available. The best estimate of selling price is established considering internal factors such as margin objectives, pricing practices and customer segment pricing strategies. Consideration is also given to market conditions such as competitor pricing strategies. In multiple-element arrangements, revenue is allocated to each separate unit of accounting using the relative selling price of each of the deliverables in the arrangement based on the aforementioned selling price hierarchy. If the arrangement contains more than one software deliverable, the arrangement consideration allocated to the software deliverables as a Group is then allocated to each software deliverable using the guidance for recognizing software revenue, as amended.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Each deliverable in an arrangement is evaluated to determine whether it represents a separate unit of accounting. A deliverable constitutes a separate unit of accounting when it has standalone value and there is no customer-negotiated refund or return right for the delivered element. If the arrangement includes a customer-negotiated refund or return right relative to the delivered item and the delivery and performance of the undelivered item is considered probable and substantially in the Company's control, the delivered element constitutes a separate unit of accounting. In instances when the aforementioned criteria are not met, the deliverable is combined with the undelivered elements and the allocation of the arrangement consideration and revenue recognition is determined for the combined unit as a single unit. Allocation of the consideration is determined at inception of the arrangement on the basis of the relative selling price of each unit.

General

Revenue from transition services in outsourcing arrangements is deferred and recognized over the period of the arrangement. Direct and incremental costs in relation to such an arrangement are also deferred to the extent of revenue. Certain upfront nonrecurring contract acquisition costs incurred in the initial phases of outsourcing contracts are deferred and amortized usually on a straight line basis over the term of the contract. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Group is a principal to the transaction and net of costs when the Group is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Group is a principal or an agent, most notably whether the Group is the primary obligor to the customer, has established its own pricing, and has inventory and credit risks.

Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding out-of-pocket expenses included in cost of revenues.

Volume discounts and pricing incentives to customers are accounted for as a reduction of revenue using the guidance in ASC - 605-50, Accounting for Consideration Given by a Vendor to a Customer (including a Reseller of the Vendor's Products). Volume discount earned and due is reduced from receivable balance.

For services accounted for under the percentage of completion method, cost and earnings in excess of billing are classified as unbilled revenue, while billing in excess of cost and earnings are classified as deferred revenue.

Revenue from sales-type leases is recognized when risk of loss has been transferred to the client and there are no unfulfilled obligations that affect the final acceptance of the arrangement by the client. Interest attributable to sales-type leases and direct financing leases included therein is recognized on accrual basis using the effective interest method.

(e) Inventories

Inventories represent items of finished goods that are specific to execute composite contracts of software services and IT infrastructure management services and also finished goods which are interchangeable and not specific to any project. Inventory is carried at the lower of cost or net realizable value. The net realizable value is determined with reference to selling price of goods less the estimated cost necessary to make the sale. Cost of goods that are procured for specific projects is assigned by specific identification of their individual costs. Cost of goods which are interchangeable and not specific to any project is determined using weighted average cost formula. Inventories also include goods held by customer care department at customer's site for which risk and rewards have not been transferred.

(f) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation which is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Asset description	Asset life (in years)
Buildings	20
Computer and Networking Equipment	4 to 5
Software	3
Furniture ,fixtures and office equipment	5 to 7
Plant and Equipment (including Aircraft)	10 to 17
Vehicles	5

Assets acquired under capital leases are capitalized as assets by the Group at the lower of the fair value of the leased property or the present value of the related lease payments. Assets under capital leases are depreciated over the shorter of the lease term or the estimated useful life of the assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease period or the estimated useful life of the asset. The cost of software obtained for internal use is capitalized and amortized over the estimated useful life of the software.

Advances paid towards the acquisition of property and equipment and cost of property and equipment not put to use before balance sheet date are classified as capital work-in-progress (Note 4).

(g) Leases

Property and equipment taken on lease are evaluated to determine whether they are capital or operating leases in accordance with Financial Accounting Standard Board's (FASB) guidance on ASC 840, 'Accounting For Leases'.

When substantially all the risks and benefits of property ownership have been transferred to the Company, as determined by the test criteria in FASB's guidance on ASC 840, the lease qualifies as a capital lease. Capital leases are capitalized at the lower of the net present value of the total amount of rent payable under the leasing agreement (excluding finance charges) or the fair market value of the leased asset. Capital lease assets are depreciated on a straight-line basis, over a period consistent with the Group's normal depreciation policy for tangible fixed assets, but not exceeding the lease term. Interest charges are expensed over the period of the lease in relation to the carrying value of the capital lease obligation.

Operating lease income and expense is recognized on a straight-line basis over the term of the lease.

The Group also provides networking equipment to its customers in certain infrastructure arrangements. Such arrangements are evaluated under ASC 840-10-15, "Determine Whether an Arrangement Contains a Lease", to determine whether they contain embedded leases and upon the satisfaction of the test, FASB guidance given in ASC 840-10 on Leases is applied for determining the classification of the lease.

(h) Impairment of long-lived assets and long-lived assets to be disposed off

In accordance with the provisions of ASC Topic 360, "Accounting for Impairment or Disposal of Long Lived Assets", long-lived assets, other than goodwill, are tested for impairment based on undiscounted cash flows and, if impaired, written down to fair value based on either discounted cash flows or appraised values.

(i) Investment securities

Investment securities consist of available-for-sale debt and equity securities and held-to-maturity debt securities.

Available-for-sale securities having a readily determinable fair value are carried at fair value based on quoted market prices. Temporary unrealized gains and losses, net of the related tax effect are excluded from income and are reported as a separate component of 'other comprehensive income (loss)', until realized. Realized gains and losses from the sale of available-for-sale securities are determined on a first-in-first-out method and are included in earnings.

Held-to-maturity securities are carried at amortized cost adjusted for the amortization or accretion of premiums or discounts. Dividend and interest income are recognized when earned.

For individual securities classified as either available-for-sale or held-to-maturity, the Group determines whether a decline in fair value below the carrying value basis is other than temporary. If it is probable that the Group will be unable to collect all amounts due according to the contractual terms of a debt security, an other-than-temporary impairment is considered to have occurred. If the decline in fair value is judged to be other than temporary, the cost basis of the individual security is written down to its fair value representing the new cost basis and the amount of the write-down is included in earnings (that is, accounted for as a realized loss).

(j) Research and development

Expenditure incurred on equipment and facilities acquired or constructed for research and development activities and having alternative future uses is capitalized as property and equipment. All other expenses incurred on research and development are expensed as incurred.

(k) Software product development

The Group expenses software development costs, including costs to develop software products or the software component of products to be marketed to external users, before technological feasibility of such products is reached. The Group has determined that technological feasibility is reached shortly before the release of those products and as a result, the development costs incurred after the establishment of technological feasibility and before the release of those products were not material, and accordingly, were expensed as incurred. Software development costs also include costs to develop software programs to be used solely to meet internal needs. The costs incurred during the application development stage for these software programs were not material in the years presented were accordingly expensed as incurred.

(l) Cash equivalents, deposits with banks and restricted cash

The Group considers all highly liquid investments with an maturity of three months or less, at the date of purchase/investment, to be cash equivalents. Restricted cash represents margin money deposits against guarantees, letters of credit and bank balance earmarked towards unclaimed dividend. Restrictions on margin money deposits are released on the expiry of the terms of guarantees and letters of credit.

Term deposits with banks and corporations represent term deposits earning fixed rate of interest with maturities ranging from more than three months to fifteen months at the date of purchase/investment. Interest on investments in bank deposits and corporations is recognized on an accrual basis.

(m) Income taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each balance sheet date, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. If it is determined that it is more likely than not that future tax benefits associated with a deferred income tax asset will not be realized, a valuation allowance is provided. The effect on deferred income tax assets and liabilities of a change in the tax rates is recognized in income in the period that includes the enactment date. Tax benefits earned on exercise of employee stock options in excess of compensation charged to income are credited to additional paid-in capital. Provision for income taxes also includes the impact of provisions established for uncertain income tax positions, as well as the related interest.

(n) Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, using the treasury stock method for options and warrants except where results would be anti-dilutive.

(o) Stock based compensation

Stock-based compensation represents the cost related to stock-based awards granted to employees. The Company measures stock-based compensation cost at grant date, based on the estimated fair value of the award and recognizes the cost on a straight line basis (net of estimated forfeitures) over the employee's requisite service period for an award with only service condition and for an award with both service and performance condition on a straight line basis over the requisite service period for each separately vesting portion of the award as if award was in substance, multiple awards. The Company estimates the fair value of stock options using the Black-Scholes valuation model. The cost is recorded in cost of revenue and selling, general and administrative expenses in the condensed consolidated statement of income based on the employees' respective function.

The Company has elected to use the "with and without" method in determining the order in which tax attributes are utilized. As a result, the Company only recognizes tax benefit from share-based awards in additional paid-in capital if an incremental tax benefit is realized after all other tax attributes currently available to the Company have been utilized.

(p) Employee benefits

Defined contribution plan

Eligible employees of the Group in the United States of America participate in a savings plan (the “Plan”) under Section 401(k) of the United States Internal Revenue Code (the “Code”). The Plan allows for employees to defer a portion of their annual earnings on a pre-tax basis through voluntary contributions to the Plan. The Plan provides that the Group can make optional contributions up to the maximum allowable limit under the Code.

Defined benefit plan

Provident fund:

Employees receive benefits from a provident fund. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company; while the balance contribution is made to the Government administered Pension fund. The Group has an obligation to fund any shortfall on the yield of the Trust’s investments over the administered interest rates.

Gratuity:

Employees in India are entitled to benefits under the Gratuity Act, a defined benefit retirement plan covering eligible employees of the Group. This plan provides for a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and tenure of employment (subject to a maximum of approximately $17 per employee in India). The Group has unfunded gratuity obligations.

Compensated absences:

The employees of the Group are entitled to compensated absences. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the condensed consolidated statement of income.

(q) Dividend

Final dividend proposed by the Board of Directors are recognized upon approval by the shareholders who have the right to decrease but not increase the amount of dividend recommended by the Board of Directors. Interim dividends are recognized on declaration by the Board of Directors.

(r) Derivative and hedge accounting

Foreign exchange forward contracts and options are purchased to mitigate the risk of changes in foreign exchange rates associated with forecast transactions denominated in certain foreign currencies. In accordance with FASB guidance ASC 815, “Accounting for Derivative Instruments and Hedging Activities”, the Group recognizes all derivatives as assets or liabilities measured at their fair value, regardless of the purpose or intent of holding them. Changes in fair value for derivatives not designated in a hedge accounting relationship are marked to market at each reporting date and the related gains (losses) are recognized in the condensed consolidated statement of income as ‘foreign exchange gains (losses)’.

The foreign exchange forward contracts and options in respect of forecasted transactions which meet the hedging criteria are designated as cash flow hedges. Changes in the derivative fair values that are designated as effective cash flow hedges are deferred and recorded as component of accumulated ‘other comprehensive income (loss)' until the hedged transaction occurs and are then recognized as 'other income' in the condensed consolidated statement of income. The ineffective portion of hedging derivatives is immediately recognized in the condensed consolidated statement of income as part of 'other income'.

(Amount in thousands, except per share data and as stated otherwise)

In respect of derivatives designated as hedges, the Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Hedge accounting is discontinued prospectively from the last testing date when (1) it is determined that the derivative financial instrument is no longer effective in offsetting changes in the fair value or cash flows of the underlying exposure being hedged; (2) the derivative financial instrument matures or is sold, terminated or exercised; or (3) it is determined that designating the derivative financial instrument as a hedge is no longer appropriate. When hedge accounting is discontinued the deferred gains or losses on the cash flow hedge remain in 'other comprehensive income (loss)' until the forecast transaction occurs. Any further change in the fair value of the derivative financial instrument is recognized in current period earnings.

See Note 8 for additional information.

(s) Goodwill and intangibles

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill is not amortized but is reviewed for impairment annually or more frequently if indicators arise. Goodwill is tested annually, in the fourth quarter, for impairment, or sooner when circumstances indicate impairment may exist, using a fair-value approach at the reporting unit level. A reporting unit is the operating segment, or a business, which is one level below that operating segment (the "component" level) if discrete financial information is prepared and regularly reviewed by the management at that level. Components are aggregated as a single reporting unit if they have similar economic characteristics. In accordance with ASC topic 350, *"Intangibles - Goodwill and Other"*, all assets and liabilities of the acquired businesses including goodwill are assigned to reporting units. The evaluation is based upon a comparison of the estimated fair value of the reporting unit to which the goodwill has been assigned with the sum of the carrying value of the assets and liabilities for that reporting unit. The fair value used in this evaluation is estimated based upon discounted future cash flow projections for the reporting unit. These cash flow projections are based upon a number of estimates and assumptions.

Intangible assets are initially valued at fair market value using generally accepted valuation methods appropriate for the type of intangible asset. Intangible assets with definite lives are amortized over the estimated useful lives and are reviewed for impairment, if indicators of impairment arise. The evaluation of impairment is based upon a comparison of the carrying amount of the intangible asset with the estimated future undiscounted net cash flows expected to be generated by the asset. If estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the intangible asset to its carrying value, with any shortfall from fair value recognized as an expense in the current period. The intangible assets with definite lives are amortized over the estimated useful life of the assets as under:

Asset description	**Asset life (in years)**
Customer relationships	1 to 10
Customer contracts	0.5 to 10
Technology	2.5 to 10
Non-compete agreements	3 to 5
Intellectual property rights	4
Brand and contractors database and others	2 to 5

(t) Recently issued accounting pronouncements

In July 2013, the FASB issued ASU No. 2013-11, " Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists " (ASU No. 2013-11). The provisions of the rule require an unrecognized tax benefit to be presented as a reduction to a deferred tax asset in the financial statements for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward except in circumstances when the carryforward or tax loss is not available at the reporting date under the tax laws of the applicable jurisdiction to settle any additional income taxes or the tax law does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purposes. When those circumstances exist, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The new financial statement presentation provisions relating to this update are prospective and effective for interim and annual periods beginning after December 15, 2013,with early adoption permitted. Effective 1st July 2014, the Group has adopted this standard and it affects financial statement presentation only and will have no effect on our financial condition or consolidated results of operations.

(Amount in thousands, except per share data and as stated otherwise)

On May 28, 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, which will replace most existing revenue recognition guidance in U.S. GAAP. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. The ASU requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. The ASU will be effective for the Group beginning July 1, 2017, including interim periods in its fiscal year 2018, and allows for both retrospective and prospective methods of adoption. The Group is in the process of determining the method of adoption and assessing the impact of this ASU on its Consolidated Financial Statements.

3. SALES OF RECEIVABLES

The Group has revolving accounts receivables based facilities permitting it to sell certain accounts receivables to banks on a non-recourse basis in the normal course of business. The aggregate maximum capacity utilized by the Group at any time during the year ended 30 June 2014 and the three months ended September 30, 2014 was $40,566 and $30,896, respectively. Gains or losses on sale are recorded at the time of transfer of these accounts receivables and are immaterial. The Group has retained servicing obligations, which are limited to collection activities related to the non-recourse sales of accounts receivables. As of June 30, 2014 and September 30, 2014, the Group had limit of $125,000 and $116,485 available under these programs against total limit of $125,000.

4. PROPERTY AND EQUIPMENT

As of June 30, 2014 and September 2014, property and equipment comprises the following:

	June 30, 2014	September 30, 2014
Freehold land	$14,461	$14,074
Buildings	291,670	289,592
Computer and networking equipment	267,460	269,654
Software	123,447	123,792
Furniture, fixtures and office equipment	109,984	106,951
Plant and equipment	206,819	204,583
Vehicles	14,786	13,542
Capital work-in-progress	94,492	114,381
	1,123,119	**1,136,569**
Accumulated depreciation and amortization	(600,325)	(595,465)
Property and equipment, net	**$522,794**	**$541,104**

Depreciation expense was $29,491 and $15,047 for the three months ended September 30, 2013 and 2014, respectively.

(Amount in thousands, except per share data and as stated otherwise)

During the three months ended September 30, 2014, the management based on technical evaluation reassessed the useful life of assets as given below with effect from July 1, 2014. Accordingly the useful lives of certain assets required a change from the previous estimates.

The existing and revised useful life are as below:

Category of Asset	Existing Useful Life (Years)	Revised Useful Life (Years)
Buildings	20	20
Computer and networking equipment	3	4 to 5
Software	3	3
Furniture,fixtures and office equipment	4	5 to 7
Plant and equipment (including aircraft)	4 to17	10 to 17
Vehicles	5	5

Had the Group continued with the previously assessed useful life, charge for the depreciation for the three months ended September 30, 2014 would have been higher by $11,636, Net income would be lower by $9,252, and basic and diluted earnings per share would be lower by $0.01 for assets held at July 1, 2014.

The revision in useful life will result in the charge for the depreciation for year ended June 2015 lower by $37,972.

5. GOODWILL AND INTANGIBLES

The changes in the carrying value of goodwill balances by reportable segment, for the three months ended September 30, 2014, are as follows:

	Software Services	Infrastructure services	Business process outsourcing services	Total
Opening balance as at July 1, 2014	**$792,714**	**$1,007**	**$24,353**	**$818,074**
Effect of exchange rate changes	(16,306)	(26)	(394)	(16,726)
Closing balance as on September 30, 2014	**$776,408**	**$981**	**$23,959**	**$801,348**

The components of intangibles assets are as follows:

	June 30, 2014			September 30, 2014		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Intellectual property rights	$586	($582)	$4	$572	($572)	$0
Software	9,260	(7,748)	1,512	8,981	(7,632)	1,349
Customer related intangibles	139,553	(108,836)	30,717	133,475	(105,742)	27,733
Non-compete agreements	9,824	(4,610)	5,214	9,381	(4,640)	4,741
Brand and contractors database and others	3,473	(3,473)	-	3,274	(3,274)	-
	$162,696	($125,249)	$37,447	**$155,683**	($121,860)	$33,823

(Amount in thousands, except per share data and as stated otherwise)

The estimated annual amortization expense schedule for intangible assets based on current balance is as follows:

October 1, 2014 to June 30, 2015	$5,859
Year ending June 30, 2016	7,801
Year ending June 30, 2017	7,801
Year ending June 30, 2018	7,489
Year ending June 30, 2019	3,641
Thereafter	1,232
	$33,823

6. VARIABLE INTEREST ENTITIES (VIEs)

In evaluating whether the Company has the power to direct the activities of a VIE that most significantly impact its economic performance, the Company considers the purpose for which the VIE was created, the importance of each of the activities in which it is engaged and decision making role, if any, in those activities that significantly determine the entity's economic performance as compared to other economic interest holders. This evaluation requires consideration of all facts and circumstances relevant to decision-making that affects the entity's future performance and the exercise of professional judgment in deciding which decision-making rights are most important.

The Company is the primary beneficiary holding 100% dividend rights in VIEs. The Company consolidates VIEs because it has the authority to manage and control the activities that significantly affect the economic performance of the VIEs.

The table below summarizes the assets and liabilities of consolidated VIEs described above.

	June 30, 2014	September 30, 2014
Current assets		
Cash and cash equivalents	$980	$932
Short term deposits with bank	3,157	3,230
Accounts receivables, net	3,046	2,561
Unbilled revenue	878	3,712
Deferred income taxes	11	11
Other current assets	1,056	1,127
Total Current Assets	**$9,128**	**$11,573**
Deferred income taxes	719	962
Property and Equipment, net	2,594	3,186
Intangible assets, net	1,076	963
Other assets	734	500
Total Assets	**$14,251**	**$17,184**
Current liabilities		
Accounts payable	$140	$570
Accrued employee costs	797	759
Deferred revenue	219	364
Other current liabilities	1,662	1,766
Total current liabilities	**$2,818**	**$3,459**
Deferred income taxes	53	42
Accrued employee costs	90	84
Deferred revenue	345	484
Total liabilities	**$3,306**	**$4,069**

a) Assets and liabilities exclude all intercompany accounts and transactions, which are eliminated in consolidation.

(Amount in thousands, except per share data and as stated otherwise)

b) For the three months ended September 30, 2013 and 2014, total revenues from VIEs were $2,966 and $6,899, respectively.

7. INVESTMENT SECURITIES

Available for sale investment securities consist of the following:

As of June 30, 2014:

	Carrying value	Gross unrealized holding gains	Fair value
Mutual fund units - debt	$65,505	$477	$65,982
Total	**$65,505**	**$477**	**$65,982**

As of September 30, 2014:

	Carrying value	Gross unrealized holding gains	Fair value
Mutual fund units -debt	$18,005	$5	$18,010
Total	**$18,005**	**$5**	**$18,010**

The gross unrealized holding gains have been recorded as part of other comprehensive income (loss).

The maturity profile of the investments classified as available for sale as of September 30, 2014 is set out below:

	Fair value
Less than one year	$18,010
One to five years	-
	$18,010

Proceeds from the sale of available- for -sale securities was $304,038 and $465,017 for the three month periods ended September 30 2013 and 2014 respectively.

The cost of a security sold or the amount reclassified out of accumulated 'other comprehensive income (loss)' into earnings was determined on FIFO basis.

The table summarizes the transactions for available for sale securities:

	June 30, 2014	September 30, 2014
Net realised gain due to change in fair value	$9,547	$1,824
Net unrealized gain included in other comprehensive income	$477	$5
Reclassification into earnings on maturity out of other comprehensive income	$1,133	$477

Investments in held-to-maturity consist of the following:

As of June 30, 2014:

	Carrying value	Fair value
Bonds	$8,308	$8,308
Certificate of deposits	26,923	26,923
Total	**$35,231**	**$35,231**

(Amount in thousands, except per share data and as stated otherwise)

As of September 30, 2014:

	Carrying value	Fair value
Bonds	$8,096	$8,096
Total	**$8,096**	**$8,096**

The maturity profile of the investments held-to-maturity as of September 30, 2014 is set out below:

	Carrying value
Less than one year	$8,096
One to five years	-
	$8,096

Interest income earned from these investments totaled $242 and $610 for the three month periods ended September 31, 2013 and 2014, respectively.

8. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Group uses derivative financial instruments to manage foreign currency exchange rate risk. Derivative transactions are governed by a uniform set of policies and procedures covering areas such as authorization, counterparty exposure and hedging practices. The Group does not enter into derivative transactions for trading or speculative purposes.

As a result of the use of derivative instruments, the Group is exposed to the risk that counterparties to derivative contracts will fail to meet their contractual obligations. To mitigate the counterparty credit risk, the Group has a policy of entering into contracts only with carefully selected nationally recognized financial institutions based upon their credit ratings and other factors.

The following table presents the aggregate notional principal amounts of the outstanding derivative forward covers together with the related balance sheet exposure:

	Notional principal amounts		Balance sheet exposure Asset (Liability)	
	June 30, 2014	**September 30, 2014**	**June 30, 2014**	**September 30, 2014**
Foreign exchange forward denominated in:				
USD /INR	$631,910 (Sell)	$631,560 (Sell)	($38,001)	($32,452)
GBP/ INR	£12,000 (Sell)	£15,900 (Sell)	(2,606)	(888)
EUR / USD	€ 32,290 (Sell)	€ 16,850 (Sell)	91	662
EUR/ INR	€ 36,500 (Sell)	€ 36,500 (Sell)	(3,597)	46
AUD/ INR	-	AUD 3,000 (Sell)	-	18
AUD/USD	AUD 12,000 (Sell)	-	3	-
SEK/USD	SEK 176,120 (Sell)	SEK 104,500 (Sell)	60	144
ZAR/USD	ZAR 24,000 (Sell)	ZAR 40,000 (Sell)	(6)	164
CHF/USD	CHF 7,000 (Sell)	CHF 3,000 (Sell)	(5)	155
USD /INR	-	$25,000 (Buy)	-	223
SGD/USD	SGD 5,500 (Buy)	SGD 9,500 (Buy)	12	(112)
JPY/USD	JPY 250,000 (Buy)	JPY 300,000 (Buy)	(4)	(193)
GBP/USD	£47,300 (Buy)	£33,500 (Buy)	962	(769)
CAD/USD	CAD 2,500 (Buy)	CAD 4,000 (Buy)	55	(65)
SEK/USD	SEK 80,000 (Buy)	SEK 24,500 (Buy)	(194)	(62)
MYR/USD	MYR 20,500 (Buy)	MYR 14,000 (Buy)	34	(157)
			($43,196)	**($33,286)**

(Amount in thousands, except per share data and as stated otherwise)

The following table presents the aggregate notional principal amounts of the outstanding forward options together with the related balance sheet exposure:

	Notional principal amounts		Balance sheet exposure Asset (Liability)	
	June 30, 2014	**September 30, 2014**	**June 30, 2014**	**September 30, 2014**
Range Forward				
USD/INR	$250,680	$472,400	$878	$ 439
GBP/INR	£29,500	£15,250	(674)	466
EUR/INR	€ 38,100	€ 37,350	(99)	1,599
AUD/INR	AUD 3,000	-	(10)	-
Put Forward				
USD/INR	-	$2,000	-	10
			$95	**$2,514**

The notional amount is a key element of derivative financial instrument agreements. However, notional amounts do not represent the amount exchanged by counter parties and do not measure the Group's exposure to credit risk as these contracts are settled at their fair values at the maturity date.

The balance sheet exposure denotes the fair value of these contracts at the reporting date and is presented in United States Dollars.

The Group presents its foreign exchange derivative instruments on a net basis in the condensed consolidated financial statements due to the right of offset by its individual counterparties under master netting agreements .

The fair value of those derivative instruments presented on a gross basis as of each date indicated below is as follows:

June 30, 2014

	Other Current Assets	Other Non - Current Assets	Other Current Liabilities	Other Non - Current Liabilities	Total Fair Value
Derivatives designated as hedging instruments:					
Foreign exchange contracts in an asset position	$1,630	$45	$1,576	$45	$3,296
Foreign exchange contracts in an liability position	(1,576)	(45)	(22,945)	(21,346)	(45,912)
Net asset (liability)	**$54**	**$0**	**($21,369)**	**($21,301)**	**($42,616)**
Derivatives not designated as hedging instruments:					
Foreign exchange contracts in an asset position	$1,404	$-	$197	$-	$1,601
Foreign exchange contracts in an liability position	(401)	-	(1,685)	-	(2,086)
Net asset (liability)	**$1,003**	**$-**	**($1,488)**	**$-**	**($485)**
Total Derivatives at fair value	**$1,057**	**$0**	**($22,857)**	**($21,301)**	**($43,101)**

September 30, 2014

	Other Current Assets	Other Non - Current Assets	Other Current Liabilities	Other Non - Current Liabilities	Total Fair Value
Derivatives designated as hedging instruments:					
Foreign exchange contracts in an asset position	$2,355	$106	$2,156	$106	$4,723
Foreign exchange contracts in an liability position	(2,156)	(106)	(13,313)	(20,420)	(35,995)
Net asset (liability)	**$199**	**$0**	**($11,157)**	**($20,314)**	**($31,272)**

(Amount in thousands, except per share data and as stated otherwise)

Derivatives not designated as hedging instruments:					
Foreign exchange contracts in an asset position	$2,539	$-	$921	$-	$3,460
Foreign exchange contracts in an liability position	(725)	-	(2,235)	-	(2,960)
Net asset (liability)	**$1,814**	**$-**	**($1,314)**	**$-**	**$500**
Total Derivatives at fair value	**$2,013**	**$0**	**($12,471)**	**($20,314)**	**($30,772)**

The following tables set forth the fair value of derivative instruments included in the condensed consolidated balance sheets as on June 30, 2014 and September 30, 2014:

Derivatives designated as hedging instruments:

	June 30, 2014	September 30, 2014
Unrealized (loss) gain on financial instruments classified under current assets	$54	$199
Unrealized (loss) gain on financial instruments classified under current liabilities	(21,369)	(11,157)
Unrealized (loss) gain on financial instruments classified under non-current liabilities	(21,301)	(20,314)
	($42,616)	**($31,272)**

Derivatives not designated as hedging instruments:

	June 30, 2014	September 30, 2014
Unrealized (loss) gain on financial instruments classified under current liabilities	($1,488)	($1,314)
Unrealized (loss) gain on financial instruments classified under current assets	1,003	1,814
	($485)	**$500**

The following tables summarizes activities in the condensed consolidated statement of income during the three months ended September 30, 2013

Derivatives in Cash flow Hedging Relationships	Amount of Gain or (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain or (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion) and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign Exchange Contracts	($89,310)	Other Income (Expense),net	($31,733)	Other Income (Expense),net	Nil
	($89,310)		**($31,733)**		**Nil**

Derivatives not Designated as Hedging	Location of Gain or (Loss) recognized in Income on Derivatives	Amount of Gain or (Loss) recognized in Income on Derivatives
Foreign exchange contracts	Other Income (Expense),net	($13,350)

(Amount in thousands, except per share data and as stated otherwise)

The following tables summarizes activities in the condensed consolidated statement of income during the three months ended September 30, 2014

Derivatives in Cash flow Hedging Relationships	Amount of Gain or (Loss) Recognized in AOCI on Derivatives (Effective Portion)	Location of Gain or (Loss) Reclassified from AOCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from AOCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion) and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Foreign Exchange Contracts	($1,736)	Other Income (Expense),net	($10,284)	Other Income (Expense),net	Nil
	($1,736)		**($10,284)**		**Nil**

Derivatives not Designated as Hedging	Location of Gain or (Loss) recognized in Income on Derivatives	Amount of Gain or (Loss) recognized in Income on Derivatives
Foreign exchange contracts	Other Income (Expense),net	$2,760

The following table summarizes the activity in the accumulated 'Other comprehensive (loss) gain' within equity related to all derivatives classified as cash flow hedges during the three months ended September 30, 2013 and September 30, 2014:

	September 30,	
	2013	**2014**
Balance as at the beginning of the period	($106,293)	($43,421)
Unrealized gain (loss) on cash flow hedging derivatives during the period	(89,310)	(1,736)
Net loss reclassified into net income on occurrence of hedged transactions	31,733	10,284
Effect of exchange rate fluctuations	5,479	1,689
Balance as at the end of the period	**(158,391)**	**($33,184)**
Deferred tax	29,379	6,253
	($129,012)	**($26,931)**

As at September 30, 2014, the estimated net amount of existing loss that is expected to be reclassified into the income statement from AOCI with in the next twelve months is ($12,683).

9. OTHER CURRENT ASSETS

As of June 30, 2014 and September 30, 2014, other current assets comprise of the following:

	June 30, 2014	**September 30, 2014**
Prepaid expenses	$44,071	$49,508
Prepaid rentals for Leasehold land	$273	$479
Interest receivable	19,391	24,259
Prepaid/advance taxes	15,704	15,352
Deposits	9,922	10,918
Deferred cost	48,148	50,012
Employee receivables	9,871	11,170
Derivative financial instruments	1,057	2,013
Advance to suppliers	5,850	9,171
Finance lease receivable	59,858	62,834
Others	43,450	35,305
	$257,595	**$271,021**

(Amount in thousands, except per share data and as stated otherwise)

10. OTHER ASSETS

As of June 30, 2014 and September 30, 2014, other assets comprise the following:

	June 30, 2014	September 30, 2014
Deposits	$25,573	$23,582
Deferred cost	62,329	67,956
Prepaid expenses	14,383	16,162
Prepaid rentals for Leasehold land	22,955	40,728
Advance to suppliers	14,248	13,885
Finance lease receivable	85,192	94,164
Others	16,730	25,818
	$241,410	**$282,295**

11. DEBTS

SHORT TERM LOANS

The Group has availed unsecured packing credit loan in foreign currency of $75,000 at effective interest rates ranging from 0.60% to 0.80% respectively. The Group have repaid $50,000 during the period ended September 30, 2014 and renewed $25,000 which is repayable on October 31, 2014.

The Group has availed bank line of credit from its bankers amounting to $34,196 and $75,780 as of June 30, 2014 and September 30, 2014, respectively, at effective interest rates ranging from 0.22% to 14.50%.

LONG TERM DEBT

	June 30, 2014	September 30, 2014
From banks	$6,567	$5,755
Secured redeemable non convertible debentures	83,076	-
Other	921	753
Less: Current portion	(85,916)	(2,622)
	$4,648	**$3,886**

The scheduled principal repayments are as follows:

	September 30, 2014
Within one year	$2,622
One to two years	1,862
Two to three years	1,357
Three to five years	667
	$6,508

The Group's borrowings are subject to certain financial and non financial covenants. At September 30, 2014, the Group was in compliance with all such covenants.

Long term debts from banks include:

Term loans of $6,567 and $5,755 as of June 30, 2014 and September 30, 2014, respectively, at interest rates ranging from 8% to 11% per annum and secured by hypothecation of vehicles with a book value of $12,778 and $12,028 as of June 30, 2014 and September 30, 2014, respectively.

Other long term debts include:

Unsecured long term loans of $789 and $753 as of June 30, 2014 and September 30, 2014, respectively, at interest rates ranging from 0% to 6.79% per annum.

(Amount in thousands, except per share data and as stated otherwise)

Secured Redeemable Non Convertible Debentures

The Company allotted 10,000 secured redeemable non convertible debentures of face value of ` 1million ($16,615) each aggregating to $166,151, carrying a quarterly coupon rate varying from 7.55% to 8.80% per annum. The debentures have a maturity period ranging from two years to five years from the date of allotment and are secured against specified movable assets, receivables from subsidiaries and specified land and building of the Company. Principal amount outstanding as of June 30, 2014 is $83,076, and the same is repaid during the three months period ended September 30, 2014

12. OTHER CURRENT LIABILITIES

As of June 30, 2014 and September 30, 2014, other current liabilities comprise of the following:

	June 30, 2014	September 30, 2014
Advances from customers	$7,442	$7,344
Sales tax and other taxes payable	55,657	48,268
Accrued liabilities and expenses	322,357	331,935
Supplier's credit	238,669	240,812
Due to related parties	31,310	4,958
Derivative financial instruments	22,857	12,471
Others	35,684	52,792
	$713,976	**$698,580**

13. EQUITY SHARES

The Company has only one class of capital stock referred to herein as equity shares. Par value of each equity share outstanding as of September 30, 2014 is $0.03 (` 2.00).

Voting

Each holder of equity shares is entitled to one vote per share.

Dividends

Dividends declared and paid by the Company are in Indian Rupees. Dividends payable to equity stockholders are based on the net income available for distribution as reported in the standalone financial statements of the Company prepared in accordance with Indian GAAP. Indian law mandates that any dividend, exceeding 10% of the common stock, can be declared out of distributable profits only after the transfer of up to 10% of net income computed in accordance with current regulations, to a general reserve. Further, Indian law on foreign exchange governs the remittance of dividends outside India. Such dividend payments are also subject to applicable taxes.

Liquidation

In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the stockholders.

Stock options

There are no voting, dividends or liquidation rights to the option holders under the Company's stock option plans.

(Amount in thousands, except per share data and as stated otherwise)

14. OTHER INCOME (EXPENSES), NET

For the period ended September 30, 2013 and 2014, other income (expenses), net consist of:

	Three months ended September 30,	
	2013	**2014**
Interest income	$16,183	$35,290
Gain on sale of investment securities and other investments, net	2,950	1,824
Foreign exchange losses , net	(37,670)	(8,717)
Equity in earnings of affiliates	382	437
Gain on sale of property and equipment	50	25,453
Miscellaneous income (expense)	2,977	246
Other income (expense), net	**($15,128)**	**$54,533**

15. INCOME TAXES

The effective tax rate for the Group for the three month periods ended September 30, 2013 and 2014 is 20.23% and 21.70%, respectively. The lower effective tax rate in period ended September 30, 2013 was mainly on account of certain onetime tax benefit recognized in certain overseas tax jurisdictions.

A reconciliation of the beginning and ending balance of unrecognized tax benefits is as follows:

	June 30, 2014	**September 30, 2014**
Balance at the beginning of the period	$88,550	$ 108,611
Increase due to tax position taken during the current period	21,271	398
Increase due to tax position taken during the prior period	(700)	-
Effect of exchange rate fluctuations	(510)	(1,769)
Balance at the end of the period	**108,611**	**107,240**

16. EARNINGS PER EQUITY SHARE

The following is the reconciliation of the weighted average number of equity shares used in the computation of basic and diluted EPS:

	Three months period ended September 30,	
	2013	**2014**
Weighted average number of equity shares outstanding used in computing basic EPS	697,142,898	700,622,627
Dilutive effect of stock options	9,760,881	5,086,965
Weighted average number of equity and equity equivalent shares outstanding used in computing diluted EPS	706,903,779	705,709,592

For the three months ended September 30 2013 and 2014 , there were no options to purchase equity shares of common stock with exercise price greater than the average market value of our stock that would have been anti-dilutive.

(Amount in thousands, except per share data and as stated otherwise)

17. STOCK BASED COMPENSATION

STOCK OPTION PLANS

Stock-based compensation expense related to the stock option plans was allocated as follows:

	Three months ended September 30,	
	2013	**2014**
Cost of sales	$271	$142
Selling, general and administrative	2,666	1,520
Stock based compensation cost	**$2,937**	**1,662**

18. EMPLOYEE BENEFIT PLANS

India operations

The Group has employee benefit plans in the form of certain statutory and welfare schemes covering substantially all of its employees.

Defined benefit Plan

Gratuity

In accordance with the Indian law, the Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees in India. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment of an amount based on the respective employee's based compensation and the years of employment with the Group.

Net gratuity cost for the three months period ended September 30, 2013 and 2014 comprise the following components:

	Three months ended September 30,	
	2013	**2014**
Service cost	$1,694	$1,848
Interest cost	700	871
Amortization of unrecognized actuarial gain	65	-
Net gratuity cost	**$2,459**	**$2,719**

Superannuation

The superannuation plan is a defined contribution pension plan for specified senior employees of the Company. The Company contributes to an employees' superannuation fund with an insurance company at 15% of the employee's base compensation. The Group has no further obligations to the superannuation plan beyond its monthly contributions. The contributions made are recorded in the statement of income on an accrual basis. Total contributions made in respect of this plan for the three months period ended September 30, 2013 and 2014 are $83 and $75, respectively

Provident fund

Total contributions made by the Group in respect of this plan for the three months period ended September 30, 2013 and 2014 are $3,636 and $3,915, respectively.

Subsidiaries in the US

The Group has a Savings and Investment Plan under Section 401 (k) of the Internal Revenue Code. This is a defined contribution plan where employees above the age of 21 years, having completed one year of service may choose to contribute up to 100% of their compensation. The Group makes a matching contribution for employee contribution up to 4%.

Total contributions made by the Group in respect of this plan for the three months period ended September 30, 2013 and 2014 are $2,001 and $3,211, respectively.

Subsidiary in Australia

As per local laws of Australia, employers must provide either a minimum level of superannuation for all employees or incur a non-tax deductible superannuation guarantee charge including interest and penalties. The required level of employer superannuation contribution is a percentage of the employee's earnings base. The Group contributes to a fund approved by the Government of Australia. Total contributions made by the Group in respect of this plan for the three months period ended September 30, 2013 and 2014 are $1,375 and $1,923, respectively.

Subsidiaries in Europe

The Group has pension plans for the employees of its subsidiaries in Europe. The plans operating in Europe provide for contributions of up to 5% of the basic salary by the employer and the employee. Total contributions made by the Group in respect of this plan for the three months period ended September 30, 2013 and 2014 are $3,455 and $3,499, respectively.

Subsidiaries in Asia

As per local laws of Malaysia, Singapore and Japan, employers are required to contribute notified percentage of the basic salary of the eligible employees to the fund set up by the Government of the respective country. Total contributions made by the Group in respect of these plans for the three months period ended September 30, 2013 and 2014 are $1,456 and $1,786, respectively.

19. COMMITMENTS AND CONTIGENCIES

Capital commitments

As of September 30, 2014, the Group had contractual commitments for capital expenditure of $119,634.

Other commitments

Some of the Group’s software development centers in India are SEZ/STP/EOU units under the guidelines issued by the Government of India. These units are exempt from customs and central excise duties and levies on imported and indigenous capital goods and stores and spares. The Group has executed legal undertakings to pay customs duty, central excise duty, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores and spares consumed duty free, in the event that certain terms and conditions are not fulfilled.

Guarantees

The Group generally provides guarantees as securities to the Excise and Customs authorities for compliance with local regulation and to various parties on behalf of its subsidiaries. The aggregate amount of these guarantees as of September 30, 2014 is $12,269.

Letter of Credit

The Group has negotiated extended interest bearing credit terms with certain vendors and have outstanding letters of credit of $240,812 in this respect for extended payment terms up to 360 days. Interest rate on this arrangement ranges from 1.2% to 10.3% per annum.

The Group also has letters of credit amounting to $141 outstanding as at September 30, 2014 in the normal course of business.

(Amount in thousands, except per share data and as stated otherwise)

Other Contingencies

As of September 30, 2014, other contingencies have arisen in the normal course of business. The management believes that the ultimate outcome of these matters will not have a material adverse effect on its financial position, results of operations and cash flows.

20. SEGMENT REPORTING

The Group's operations predominantly relate to providing a range of IT & BPO services targeted at Global 2000 companies spread across America, Europe & Rest of the World. IT services include software services & IT infrastructure management services. Within software services, HCL provides application development & maintenance, enterprise application, next generation SAAS application services and engineering and R&D services to several global customers. Infrastructure management services involve managing customer's IT assets effectively. HCL's 'Enterprise of the Future'(EOF) framework helps customers not just run IT effectively but also migrate to next generation IT. EOF involves services around cloud, next generation data centres, business productivity services, integrated service management layer and an integrated application development & operations services. Business process outsourcing services include the traditional contact centre & help desk services and the next generation services around platform BPO & BPAAS (Business Process As A service) delivered through a strong global delivery model. HCL's trademarked EFAAS(Enterprise Function As A service) helps customers reduce business cost rather than just the process cost as was the case in traditional BPO.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance by business segment, comprising software services, infrastructure management services and business process outsourcing services. Accordingly, the above stated business segments have been identified as reportable segments for the purpose of segment reporting. Segment information for prior periods is provided on a comparative basis.

Information on reportable segments for the three months period ended September 30, 2013 is as follows:

	Software Services	Infrastructure management Services	Business process Outsourcing Services	Total
Revenue	$795,816	$420,488	$53,988	$1,270,292
Depreciation and amortization	16,701	12,154	2,680	31,536
Segment earnings	**$201,278**	**$98,128**	**$2,882**	**$302,288**

Information on reportable segments for the three months period ended September 30, 2014 is as follows:

	Software Services	Infrastructure management services	Business process outsourcing services	Total
Revenue	$867,064	$494,815	$71,618	$1,433,497
Depreciation and amortization	10,146	5,336	1,595	17,077
Segment earnings	**$205,966**	**$127,161**	**$9,291**	**$342,418**

The CODM assesses the performance of the operating segments based on a measure of segment earnings. This measurement basis adjusts income before income taxes to exclude the effects of, cash flow hedge accounting gains (losses), foreign exchange gains (losses), finance costs and other income.

(Amount in thousands, except per share data and as stated otherwise)

A reconciliation of segment earnings to income before income taxes is provided as follows:

	Three months period ended September 30,	
	2013	**2014**
Segment earnings	$302,288	$342,418
Foreign exchange (loss)	(37,670)	(8,717)
Finance cost	(4,270)	(4,626)
Other income, net	22,542	63,250
Income before income taxes	**$282,890**	**$392,325**

21. FAIR VALUE MEASUREMENT

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income securities, equity securities and derivatives, which must be measured using the FASB's guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 —Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 —Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 —Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with ASC 820, assets and liabilities are to be measured based on the following valuation techniques:

Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Income approach – Converting the future amounts based on the market expectations to its present value using the discounting methodology.

Cost approach – Replacement cost method.

The following table discloses the assets and liabilities measured at fair value on a recurring basis as of June 30, 2014 and the basis for that measurement:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Deposits with bank,having maturities less than three months	$297	$297	-	-
Term deposits with banks	$1,300,652	-	$1,300,652	-
Deposits with corporation	$96,533	-	$96,533	-
Investment securities, available for sale	$65,982	$65,982	-	-
Derivative contracts	$1,057	-	$1,057	-
Liabilities				
Derivative contracts	($44,158)	-	($44,158)	-

(Amount in thousands, except per share data and as stated otherwise)

The following table discloses the assets and liabilities measured at fair value on a recurring basis as of September 30, 2014 and the basis for that measurement:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Deposits with bank,having maturities less than three months	$282	$282	-	-
Term deposits with banks	$1,278,330	-	$1,278,330	-
Deposits with corporation	$170,386	-	$170,386	-
Investment securities, available for sale	$18,010	$18,010	-	-
Derivative contracts	$2,013	-	$2,013	-
Liabilities				
Derivative contracts	($32,785)	-	($32,785)	-

Valuation Methodologies

Quoted market prices in active markets are available for investments in securities and, as such, these investments are classified within Level 1.

Investments: The Company's investments consist primarily of investment in debt linked mutual funds. Fair values of investment securities classified as available -for -sale are determined using quoted prices for identical assets or liabilities in active markets and are classified as Level 1. Fair value of term deposits with banks and corporations is determined using observable markets inputs and is classified as Level 2.

Derivative Financial instruments: The Group's derivative financial instruments consist of foreign currency forward exchange contracts. Fair values for derivative financial instruments are based on broker quotations and are classified as Level 2. See note 12 for further details on Derivative Financial instruments.

The fair value of the Group's current assets and current liabilities including short term deposits with Banks, and short term loans approximate their carrying values because of their short-term maturity. The fair value of held- to- maturity investment securities is based on the quoted prices and approximates its fair value.

Certain assets are measured at fair value on a non-recurring basis and therefore are not included in the recurring fair value table above. The assets and liabilities consist primarily of long term debt and other non financial assets such as goodwill and intangible assets. Goodwill and intangible assets are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

22. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table summarizes the changes in the accumulated balances for each component of accumulated other comprehensive income attributeable to HCL Technologies limited .

	September 30,	
	2013	**2014**
Unrealized gain on securities available for sale:		
Opening balance (net of tax)	$756	$315
Unrealized loss	436	5
Reclassification adjustments into other (income) expenses, net	(1,133)	(477)
Income tax benefit	52	158
Effect of exchange fluctuations	20	4
Closing balance (net of tax)	**$131**	**$5**

(Amount in thousands, except per share data and as stated otherwise)

Unrealized loss on cash flow hegdes:

Opening balance (net of tax)	($82,257)	($34,939)
Unrealized loss	(89,310)	(1,736)
Reclassification adjustments into other (income) expenses, net	31,733	10,284
Income tax benefit (expense)	5,343	(2,229)
Effect of exchange fluctuations	5,479	1,689
Closing balance (net of tax)	**($129,012)**	**($26,931)**

Acturial loss on defined benefit plan:

Opening balance (net of tax)	($3,392)	($135)
Reclassification adjustments into employee benefit expenses[1]	-	-
Income tax benefit	16	-
Effect of exchange fluctuations	175	5
Closing balance (net of tax)	**($3,201)**	**($130)**

Foreign currency translation:

Opening balance	($377,581)	($339,195)
Foreign currency translation	(53,584)	(89,311)
Reclassification adjustments into other (income) expenses, net	-	-
Closing balance	**($431,165)**	**($428,506)**

1 Reclassification into employee benefit expenses are recognized in cost of revenues and selling, general and administrative expenses

23. COMPONENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of accumulated other comprehensive loss as of June 30, 2014 and September 2014:

	June 30,2014	**September 30,2014**
Unrealized gain on securities available for sale	$315	$5
Unrealized loss on cash flow hedges	(34,939)	(26,931)
Unrealized loss on defined benefit plan	(135)	(130)
Foreign currency translation	($339,195)	(428,506)
	($373,954)	**($455,562)**

24. SUBSEQUENT EVENTS

On October 17, 2014 the Group announced an interim dividend of ` 6 per share amounting to `4,208 million ($68,129).

The Group has evaluated all the subsequent events through October 17, 2014, which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date that would have material impact on the condensed consolidated financial statements.