

# HCL TECHNOLOGIES

## THIRD QUARTER – FY 2015 RESULTS

### INVESTOR RELEASE

Noida, NCR, India, April 21st, 2015

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### Q3 FY'15 RESULTS

Revenue at **₹ 9,267 crores** up **11.0%** YoY

Net Income at **₹ 1,683 crores** up **3.6%** YoY

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Revenue in constant currency up **15.4%** YoY

Revenue at **US\$ 1,491 mn** in reported currency up **9.5%** YoY

Net Income at **US\$ 270 mn** up **2.3%** YoY

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*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 31st MARCH, 2015

Amount in ₹ Crores

	Q3 FY'15	GROWTH	
		QoQ	YoY
REVENUE	9,267	-0.2%	11.0%
EBIT	1,977	-10.5%	-4.0%
NET INCOME	1,683	-12.2%	3.6%

Amount in US \$ Million

	Q3 FY'15	GROWTH	
		QoQ	YoY
REVENUE	1,491	0.0%	9.5%
REVENUE GROWTH (CONSTANT CURRENCY)		2.7%	15.4%
EBIT	318	-10.5%	-5.3%
NET INCOME	270	-12.1%	2.3%

## Corporate highlights

- Constant currency growth at 2.7% QoQ (on back of 6.2% QoQ growth in Q3'14 quarter) & 15.4% YoY.
- Broad based business growth witnessed across Geographies, Verticals and Horizontals.
- Strong client addition in the quarter continues: 50 Million dollar + clients up by 1, 30 Million dollar + clients up by 1, 20 Million dollar + clients up by 4.
- Total Headcount at 104,184. Net addition of 3,944 during the quarter.
- Announces dividend of ₹4 per share (post bonus issue), 49th consecutive quarter of dividend payout.
- Return on Equity (ROE) for LTM Mar'15 at 35% (up from 34% in LTM Mar'14).



## CORPORATE OVERVIEW

“At HCL we have always been at the forefront of changing market dynamics. With enterprise need for Digitalization, Internet of Things and next generation ITO, the company is well set to redefine the interface between technology and business. Our new-age propositions will significantly improve the competitiveness of global enterprises”, said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies Ltd.**

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“HCL continues to deliver broad-based growth across geographies, verticals and horizontals. This quarter saw our revenue increase by 14.4% LTM YoY in constant currency and we gained significant market share fuelled by transformational deal bookings in excess of USD1 billion. These engagements were primarily driven from industries like Consumer Services, Manufacturing and Public Services and the European region”, said **Anant Gupta, President & CEO, HCL Technologies Ltd.**

“We also continued to make significant investments in expanding our global footprint, opening several new onsite facilities and Co-Innovation Labs as well as expansion of our existing presence in India. This along with hiring of 100+ senior industry leaders over the last two quarters will facilitate exponential advantage in key emerging growth areas like Enterprise Digitalization and Engineering Services.” he added.

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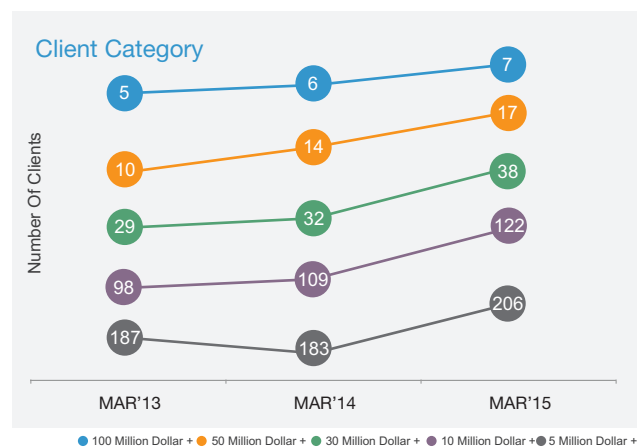
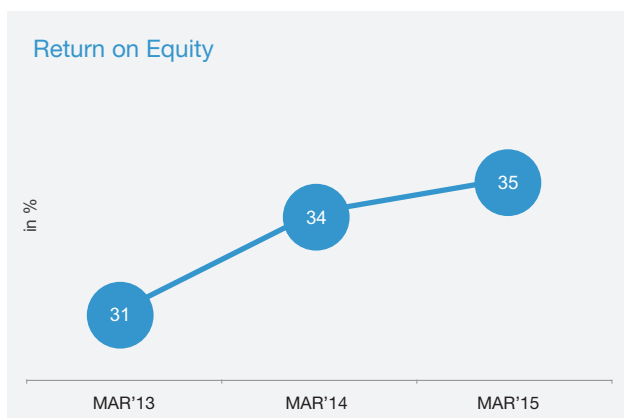
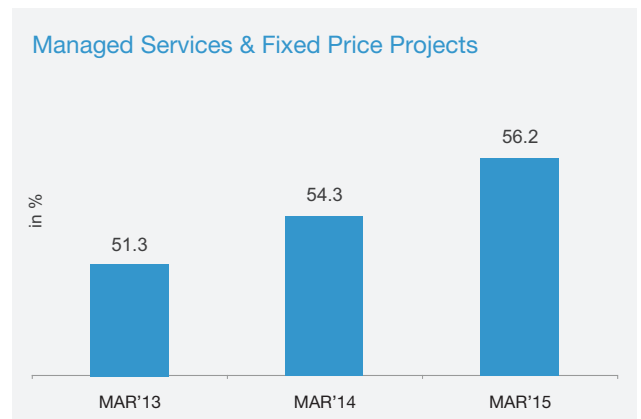
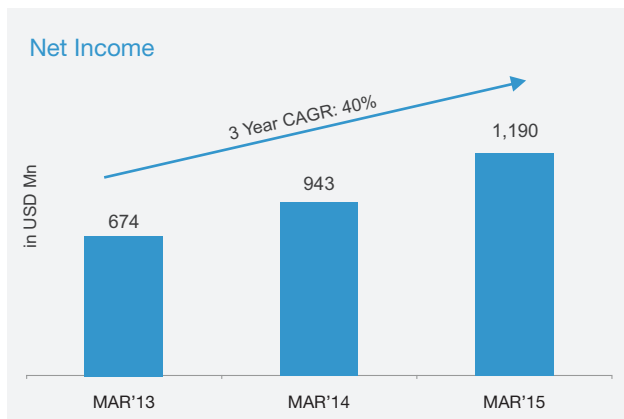
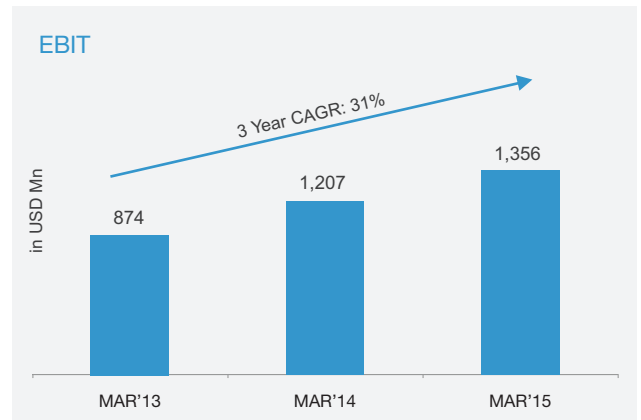
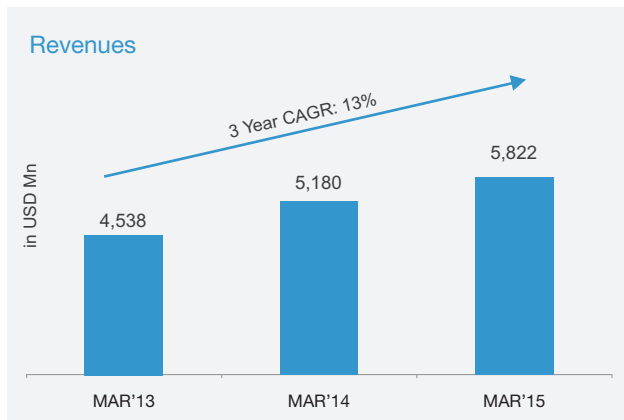
“The robust growth is reflective of our resilient business model in a volatile currency environment besides our continuous wins in the focus areas. The operating margin metrics and enhanced working capital requirements have impacted our cash flows and are an outcome of our focused investment agenda for enhancing capability build up and delivery dynamics of large engagements.”, said **Anil Chanana, CFO, HCL Technologies.**



*“Why has our relationship been successful? For one thing, I fundamentally believe that HCL would move heaven and earth to please us. Their “Employees First” principle shows in their drive and motivation to get the job done.” - President APAC & Former CIO of a leading global supply chain company.*

# PERFORMANCE HIGHLIGHTS

## Overall Company : Performance Trends (LTM basis)



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

### REVENUE GROWTH ON QUARTERLY YOY BASIS IN CONSTANT CURRENCY

- Revenue grew by **15.4%**.
- Broad based growth across all revenue segments:
  - Americas, Europe and ROW grew by **13.6%**, **22.0%** and **6.9%** respectively.
  - Driven by Business Services at **34.6%**, Engineering and R&D Services at **32.4%**, Infrastructure Services at **16.1%** and Application Services at **6.9%**.
  - Vertical growth led by Telecommunications, Media, Publishing & Entertainment at **23.5%**, Lifesciences & Healthcare at **21.1%**, Public Services at **16.6%**, Financial Services at **15.4%**, Retail & CPG at **14.8%** and Manufacturing at **14.4%**.

### REVENUE GROWTH (IN CONSTANT CURRENCY)

PARTICULARS	SEGMENTS	31-Mar-15		
		QoQ	YoY	LTM YoY
<b>Consolidated</b>	<b>For the Company</b>	<b>2.7%</b>	<b>15.4%</b>	<b>14.4%</b>
Geography	Americas	0.2%	13.6%	12.0%
	Europe	4.4%	22.0%	20.1%
	ROW	10.6%	6.9%	11.0%
Services	Application Services	0.8%	6.9%	7.3%
	Infrastructure Services	3.1%	16.1%	19.3%
	Business Services	7.9%	34.6%	28.8%
	Engineering and R&D Services	4.6%	32.4%	20.0%
Verticals	Financial Services	2.3%	15.4%	20.9%
	Manufacturing	3.6%	14.4%	11.7%
	Lifesciences & Healthcare	2.4%	21.1%	9.0%
	Public Services	11.9%	16.6%	26.1%
	Retail & CPG	-10.5%	14.8%	22.1%
	Telecommunications, Media, Publishing & Entertainment	10.0%	23.5%	9.3%

## TRANSFORMATIONAL AND BLUE CHIP CUSTOMER ACQUISITION

HCL has signed 14 transformational engagements during this quarter adding up to more than \$1 billion of TCV. These wins are led by Consumer Services, Manufacturing and Public Services verticals and represent a healthy mix of service lines. Focus on disruptive new propositions around Enterprise Digitalization, Industrial Internet of Things and next-gen ITO has further fuelled the company's growth trajectory this quarter.

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## CORPORATE EXCELLENCE

Over the last two quarters HCL's Digital Campaigns have won several coveted awards like the 2015 Forrester Groundswell Award, Gold in 2015 Abbys, W3 Awards and DMAi India Awards which have further solidified HCL's global leadership position in the Digitalization space.

- HCL has been recognized as a Top Employer in UK for the ninth consecutive year for HR best practices. The prestigious award conferred by the Top Employers Institute recognizes leading organizations "that provide excellent working conditions, nurture and develop talent and continuously strive to optimize employment practices".
- HCL has won the "Outstanding Contribution in CSR Initiatives" award at the Aerospace & Defense Awards 2015 led by the International Aerospace Journal. The citation recognized HCL's community service initiatives under education, employability, healthcare, water and infrastructure development in less privileged communities.
- HCL's transformation strategy has been showcased as a case study in "Human Capital Insights-Inspiring practices for Asia, from Asia" by Human Capital Leadership Institute (HCLI). HCLI is a strategic Alliance between Singapore Ministry of Manpower (MOM), Singapore Economic Development Board (EDB) and Singapore Management University (SMU).
- HCL has won two Gold Awards in the 'Brand Activation & Promotion' and 'Direct Response - Digital' categories at India's leading Advertising/Marketing award platform, the Abbys.
- HCL has won the 2015 Forrester Groundswell Award in the category of Social Reach Marketing (B2B).
- HCL and Tele2, a leading European Telecommunications Operator, have entered into a strategic partnership to address substantial market opportunities for Machine-to-Machine (M2M) and Internet of Things (IoT) solutions in Europe.
- HCL has entered into a strategic alliance with Blue Prism, a leading Robotic Process Automation technology firm. This alliance further strengthens HCL's Robotic Process Automation capabilities for delivering Next Generation Business Services to customers.
- HCL's customer Aegon, a multinational life insurance, pensions and asset Management Company, has won Celent Model Insurer Award for operational excellence in non-core systems/IT management. The Model Insurer Awards recognize a financial institution's effective use of technology in specific areas.
- HCL and Aegon jointly launched a Digital Innovation Lab in Hague, Netherlands focused on delivering customer experience excellence through the adoption of latest digital technologies.
- HCL has been featured in the World Economic Forum Report – "Unleashing the Potential of Connected Products and Services". The Report throws light on the opportunities and challenges facing the emerging space of Industrial Internet of Things.
- HCL has formally inaugurated its two new Global Delivery Centres in Oslo, Norway and Frisco, Texas (U.S.). The Centres will function as onshore hubs to provide transformational IT Infrastructure and Application Services to its customers.

## MARKET LEADERSHIP

### Digitalization

- HCL has signed an engagement with one of the world's leading Internet-related services and products company to develop advanced decision support and process automation tools using Web 2.0/Big Data technologies.
- HCL has won a deal to manage and maintain digital platform including web and mobile platforms for a leading American Financial Services company.
- HCL has been selected by a US headquartered multinational telecom giant to build a next generation digital platform to support one of its strategic acquisitions. The engagement will entail integration of e-commerce platforms and building new business process flows for the company.

### Engineering and R&D Services (ERS)

- HCL has signed a large, multi-year Engineering and IT Services engagement with a Fortune 50 Manufacturer.
- HCL has been selected by a leading global networking equipment firm to develop and sustain the security product line.
- HCL has signed an IoT engagement with a leading European Manufacturer to implement its next-gen business strategy. As a part of this multi-year engagement, HCL will develop a client specific platform and harness the intelligence from its industrial equipments commissioned globally. HCL's IoT solutions and approach will aim to enable the customer's drive for significant growth of their Services Business.
- HCL has been selected by a large Japanese digital camera manufacturer for upgrading its mirror-less camera models.

### Next-Gen IT Outsourcing (ITO)

- HCL has been selected by one of the world's largest engineering firms for delivering next-gen datacenter services. As part of this engagement HCL will be implementing a cloud based IaaS solution for the client's presence across the globe.
- HCL has enhanced its existing engagement with a leading energy company in oil & gas production to deliver next-gen network and datacenter services to support its core business processes and applications.
- HCL has been selected by a leading global logistics provider for end-to-end cloud implementation with orchestration, next-gen service desk platform, DR on cloud and enterprise mobility management.
- HCL has signed a multi-year engagement with a Fortune 100 Health Plan Provider for its Application Monitoring, DevOps and Mainframe Tools deployment.
- HCL has signed an integrated ALT ASM™ engagement with a leading Home and Personal care products company headquartered in the US.
- HCL has been signed for an ALT ASM™ engagement by a leading European manufacturer.
- HCL has been selected by one of the world's largest social media company to manage its network infrastructure globally.

- HCL has been awarded a contract to manage the IT Infrastructure of a US based Fortune 50 Technology company. HCL will be delivering its next-gen datacenter services as part of this engagement including cloud enablement and orchestration, operational automation and autonomics.
- HCL has signed an IT infrastructure deal with world's leading integrated steel and mining company. As part of this engagement, HCL will be responsible for providing service desk and end-user computing services to the client.
- HCL has been selected by a global trading company as its Infrastructure Services partner for desktop and datacentre operation support.
- HCL has won a deal to transform the IT infrastructure of a large integrated energy and chemical company. As part of this engagement, HCL will be responsible for datacentre management, remote infrastructure management, service integration and management for the company's entire vendor ecosystem.
- HCL has signed an IT Infrastructure Services deal with a leading Healthcare services provider in the US.
- HCL has been selected as a partner for Applications Development and Support by a multinational retailer. The engagement scope covers multiple business processes across diverse technologies.
- HCL has been selected by a state government in India to connect and deliver voice, video and data services to more than 9,000 points across the state. This engagement awarded under the Government of India's "Digital India" program will also include establishment of Centralized Integrated Network Operations Center (CINOC) for monitoring of the multi-mode connectivity within the State.

## THOUGHT LEADERSHIP

- HCL Technologies has been positioned as a 'Leader' in The Forrester Wave™: Global Infrastructure Outsourcing, Q1 2015, by William Martorelli and Wolfgang Benkel, January 13, 2015, Forrester Research Inc. "HCL enjoys a solid reputation for flexibility, cost-effectiveness, and technological capability, which gives it an extremely strong value proposition", the Report said.
- IDC has published an opinion piece titled "HCL continues its European Success Through 2014, March 2015" (doc # IcUK25499715). "HCL recently launched a consumer experience and innovation center (called cXstudio) in the Netherlands with Aegon to deliver customer experience excellence through the adoption of the latest digital technologies with a key focus on mobility", the Report said.
- Cornell University has published a case-study showcasing HCL's unique culture of grassroots, customer-focused innovation. Titled "Building Ideapreneurship Capability - Delivering Differentiated Customer Value From the Frontline", the case-study underlined the business impact delivered by the various Ideapreneurship programs at HCL.



# FINANCIALS IN US\$ FOR THE QUARTER ENDED 31st MARCH, 2015 (US GAAP)

## CONSOLIDATED INCOME STATEMENT

Amount in US \$ Million

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	31-Mar-14	31-Dec-14	31-Mar-15	YoY	QoQ
<b>Revenues</b>	<b>1,361.2</b>	<b>1,490.8</b>	<b>1,490.5</b>	<b>9.5%</b>	<b>0.0%</b>
Direct Costs	832.2	939.3	964.8		
<b>Gross Profits</b>	<b>529.1</b>	<b>551.4</b>	<b>525.7</b>	<b>-0.6%</b>	<b>-4.7%</b>
SG & A	165.5	179.1	189.7		
<b>EBITDA</b>	<b>363.6</b>	<b>372.3</b>	<b>336.0</b>	<b>-7.6%</b>	<b>-9.8%</b>
Depreciation	26.1	15.5	16.4		
Amortisation	2.0	1.9	1.8		
<b>EBIT</b>	<b>335.5</b>	<b>354.8</b>	<b>317.7</b>	<b>-5.3%</b>	<b>-10.5%</b>
Foreign Exchange Gains/(loss)	(23.3)	2.6	(2.9)		
Other Income, net	22.1	31.9	31.5		
Provision for Tax	70.0	81.8	76.0		
<b>Net Income</b>	<b>264.2</b>	<b>307.5</b>	<b>270.3</b>	<b>2.3%</b>	<b>-12.1%</b>
Gross Margin	38.9%	37.0%	35.3%		
EBITDA Margin	26.7%	25.0%	22.5%		
EBIT Margin	24.6%	23.8%	21.3%		
Net Income Margin	19.4%	20.6%	18.1%		
<b>Earnings Per Share</b>					
Annualized in US \$					
Basic	0.76	0.88	0.77	<b>1.8%</b>	
Diluted	0.75	0.87	0.77	<b>2.4%</b>	

WEIGHTED AVERAGE NUMBER OF SHARES*	31-Mar-14	31-Dec-14	31-Mar-15
Basic	1,398,351,427	1,403,370,126	1,405,452,270
Diluted	1,412,947,917	1,410,021,079	1,411,317,770

OUTSTANDING OPTIONS (in equivalent no of shares)*	31-Mar-14	31-Dec-14	31-Mar-15
Options at market price	3,196,072	-	-
Options at less than market price	14,486,968	8,313,336	7,121,128

The options will vest in tranches till 2018.

\* Number of shares and outstanding options have been adjusted for recent bonus issue made on March 21, 2015. These have been restated for previous quarters to facilitate like to like comparison.

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“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	
	31-Mar-15	30-Jun-14
<b>Assets</b>		
Cash and Cash Equivalents	134.1	169.6
Accounts Receivables, net	1,028.9	944.4
Unbilled Receivables	480.2	336.3
Fixed Deposits	1,410.4	1,390.7
Investment Securities, held to maturity	-	35.2
Investment Securities, available for sale	35.0	66.0
Other Current Assets	410.8	353.0
<b>Total Current Assets</b>	<b>3,499.4</b>	<b>3,295.2</b>
Property and Equipments, net	583.9	522.8
Intangible Assets, net	806.0	855.5
Investments in Equity Investee	4.6	2.6
Other Assets	477.4	389.8
<b>Total Assets</b>	<b>5,371.2</b>	<b>5,065.9</b>
<b>Liabilities &amp; Stockholders Equity</b>		
Current Liabilities	1,341.8	1,361.8
Borrowings	68.0	124.8
Other Liabilities	225.1	242.8
<b>Total Liabilities</b>	<b>1,634.9</b>	<b>1,729.4</b>
<b>Total Stockholders Equity</b>	<b>3,736.3</b>	<b>3,336.5</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>5,371.2</b>	<b>5,065.9</b>

# CONSOLIDATED CASH FLOW STATEMENT

Amount in US \$ Million

PARTICULARS	FOR QUARTER ENDED Mar'15	FOR YEAR ENDED Jun'14
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Income</b>	<b>270.3</b>	<b>1,037.0</b>
<b>Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities</b>		
Depreciation and Amortization	18.3	119.3
Others	(15.5)	(38.2)
<b>Changes in Assets and Liabilities, net</b>		
Accounts Receivable	(190.4)	(240.9)
Other Assets	(80.1)	(10.2)
Current Liabilities	64.1	219.7
<b>Net Cash provided by Operating Activities</b>	<b>66.7</b>	<b>1,086.7</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(49.2)	(118.0)
Proceeds from sale of property and equipment (including advance)	0.9	38.9
(Purchase) / Sale of Investments	64.5	12.1
Fixed Deposits (increase) / decrease	(46.1)	(774.8)
Investment in equity affiliates	(1.6)	-
<b>Net Cash used in Investing Activities</b>	<b>(31.5)</b>	<b>(841.9)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Employees Stock Options	0.0	5.6
Repayment of Debentures	0.2	-
Dividend	(107.2)	(212.3)
Loans	7.9	8.3
Others	(2.5)	(1.3)
<b>Net Cash used in Financing Activities</b>	<b>(101.5)</b>	<b>(199.7)</b>
Effect of Exchange Rate on Cash and Cash Equivalents	6.8	1.2
Net increase / (decrease) in Cash and Cash Equivalents	(59.6)	46.3
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the Period	193.7	123.3
<b>End of the Period</b>	<b>134.1</b>	<b>169.6</b>

## REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

GEO GRAPHIC MIX	31-Mar-14	31-Dec-14	31-Mar-15	LTM Mix
Americas	55.4%	57.4%	57.5%	56.4%
Europe	31.8%	31.7%	31.0%	32.0%
ROW	12.8%	10.9%	11.5%	11.6%

SERVICE MIX	31-Mar-14	31-Dec-14	31-Mar-15	LTM Mix
Application Services	45.0%	42.4%	41.5%	42.8%
- Industry Application Services	29.2%	27.0%	27.3%	27.7%
- Enterprise System Integration	15.8%	15.4%	14.2%	15.2%
Infrastructure Services	34.4%	34.4%	34.5%	34.5%
Business Services	4.5%	4.9%	5.1%	5.0%
Engineering and R&D Services	16.1%	18.3%	18.9%	17.7%

REVENUE BY VERTICAL	31-Mar-14	31-Dec-14	31-Mar-15	LTM Mix
Financial Services	26.9%	26.6%	26.1%	27.3%
Manufacturing	33.3%	32.9%	33.4%	32.6%
Lifesciences & Healthcare	10.4%	11.1%	11.2%	10.6%
Public Services	10.1%	9.5%	10.4%	9.8%
Retail & CPG	8.5%	9.7%	8.4%	9.1%
Telecommunications, Media, Publishing & Entertainment	8.4%	8.4%	9.0%	8.7%
Others	2.3%	1.8%	1.5%	2.0%

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	31-Mar-14	31-Dec-14	31-Mar-15
Managed Services & Fixed Price Projects	55.7%	55.8%	56.3%
Time & Material	44.3%	44.2%	43.7%



## CONSTANT CURRENCY (CC) REPORTING

REPORTED	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	31-Mar-15
Revenue (\$ Mn)	1,361.2	1,406.9	1,433.5	1,490.8	1,490.5
Growth QoQ	3.0%	3.4%	1.9%	4.0%	0.0%
Growth YoY	14.3%	14.6%	12.8%	12.8%	9.5%
CONSTANT CURRENCY (QoQ)	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	31-Mar-15
Revenue (\$ Mn)	1,360.1	1,399.2	1,451.6	1,522.0	1,530.4
Growth QoQ	2.9%	2.8%	3.2%	6.2%	2.7%
CONSTANT CURRENCY (YoY)	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	31-Mar-15
Revenue (\$ Mn)	1,365.2	1,387.9	1,432.0	1,535.9	1,571.2
Growth YoY	14.7%	13.1%	12.7%	16.2%	15.4%

AVERAGE RATES FOR QUARTER	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	31-Mar-15
USD INR	61.4	59.9	60.9	62.7	62.3
GBP USD	1.66	1.69	1.65	1.58	1.51
EURO USD	1.37	1.37	1.30	1.24	1.11
SGD USD	0.79	0.80	0.80	0.77	0.73
AUD USD	0.90	0.93	0.91	0.85	0.77

PARTICULARS	SEGMENT	REVENUE GROWTH IN CONSTANT CURRENCY		
		QUARTER ENDED		LTM YoY
		31-Dec-14	31-Mar-15	31-Mar-15
Consolidated	For the Company	6.2%	2.7%	14.4%
Geography	Americas	6.0%	0.2%	12.0%
	Europe	7.2%	4.4%	20.1%
	ROW	4.3%	10.6%	11.0%
Services	Application Services	3.8%	0.8%	7.3%
	- Industry Application Services	3.6%	4.4%	
	- Enterprise System Integration	4.2%	-5.4%	
	Infrastructure Services	6.2%	3.1%	19.3%
	Business Services	4.5%	7.9%	28.8%
	Engineering and R&D Services	12.6%	4.6%	20.0%
Verticals	Financial Services	1.6%	2.3%	20.9%
	Manufacturing	7.3%	3.6%	11.7%
	Lifesciences & Healthcare	19.3%	2.4%	9.0%
	Public Services	7.9%	11.9%	26.1%
	Retail & CPG	8.6%	-10.5%	22.1%
	Telecommunications, Media, Publishing & Entertainment	2.0%	10.0%	9.3%
Movement in Client contribution to revenue (LTM)	Top 5	1.2%	-0.1%	3.0%
	Top 10	0.6%	1.2%	3.8%
	Top 20	2.0%	3.0%	7.8%

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“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)	31-Mar-14	31-Dec-14	31-Mar-15	QoQ CHANGE	YoY CHANGE
100 Million dollar +	6	7	7	-	1
50 Million dollar +	14	16	17	1	3
40 Million dollar +	18	22	22	-	4
30 Million dollar +	32	37	38	1	6
20 Million dollar +	64	69	73	4	9
10 Million dollar +	109	121	122	1	13
5 Million dollar +	183	205	206	1	23
1 Million dollar +	432	450	468	18	36

CLIENT CONTRIBUTION TO REVENUE (LTM)	31-Mar-14	31-Dec-14	31-Mar-15
Top 5 Clients	15.0%	14.0%	13.5%
Top 10 Clients	24.1%	22.3%	21.8%
Top 20 Clients	34.2%	32.4%	32.2%

CLIENT BUSINESS	31-Mar-14	31-Dec-14	31-Mar-15
New Clients	3.9%	4.9%	5.8%
Existing Clients	96.1%	95.1%	94.2%
<b>Days Sales Outstanding - excluding unbilled receivables</b>	<b>58</b>	<b>58</b>	<b>62</b>



*Our Employees First, Customers Second management philosophy turns the traditional organizational pyramid upside down. At HCL, every employee is incentivized to think out of the box and every manager is accountable for nurturing these ideas to fruition with clients. The everyday innovation that this inspires, has helped create sustainable business value for our customers.*

## HEADCOUNT & UTILIZATION

MANPOWER DETAILS	31-Mar-14	31-Dec-14	31-Mar-15
<b>Total Employee Count</b>	<b>90,190</b>	<b>1,00,240</b>	<b>1,04,184</b>
Technical	81,911	91,595	95,190
Support	8,279	8,645	8,994
Gross Addition	8,291	11,734	11,041
Attrition - IT Services (LTM)	16.9%	16.4%	16.2%
Attrition - Business Services (Quarterly)	5.8%	6.7%	8.3%
Blended Utilization (Including Trainees)	84.2%	82.9%	81.9%

Note: Attrition excludes involuntary attrition

## FACILITIES

AS ON 31ST MAR 2015	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	30,08,197	31,614	23,54,729	11,182
Chennai	43,04,005	37,396	-	-
Bangalore	16,68,799	15,277	3,23,722	1,735
Others - India Delivery Locations	4,33,962	4,864	-	-
Global - Outside India	10,21,038	10,402	-	-
<b>Total</b>	<b>1,04,36,000</b>	<b>99,553</b>	<b>26,78,451</b>	<b>12,917</b>

## CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

Amount in US \$ Million

	Mar-15
Cash & Cash Equivalents	134
Fixed Deposits	1,410
Investment Securities, Available for Sale	35
<b>Total Funds</b>	<b>1,579</b>

	Mar-15
<b>Short term borrowing</b>	<b>68</b>

\*Note: For details please refer: <http://www.hcltech.com/Q3FY'15DetailsCashBorrowings>



"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 31st MARCH, 2015 (US GAAP)

## CONSOLIDATED INCOME STATEMENT

Amount in ₹ Crores

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	31-Mar-14	31-Dec-14	31-Mar-15	YoY	QoQ
<b>Revenues</b>	<b>8,349</b>	<b>9,283</b>	<b>9,267</b>	<b>11.0%</b>	<b>-0.2%</b>
Direct Costs	5,103	5,849	5,997		
<b>Gross Profits</b>	<b>3,246</b>	<b>3,434</b>	<b>3,270</b>	<b>0.7%</b>	<b>-4.8%</b>
SG & A	1,014	1,115	1,179		
<b>EBITDA</b>	<b>2,232</b>	<b>2,319</b>	<b>2,091</b>	<b>-6.3%</b>	<b>-9.8%</b>
Depreciation	159	97	102		
Amortisation	13	12	11		
<b>EBIT</b>	<b>2,060</b>	<b>2,210</b>	<b>1,977</b>	<b>-4.0%</b>	<b>-10.5%</b>
Foreign Exchange Gains/(loss)	(142)	15	(18)		
Other Income, net	135	201	197		
Provision for Tax	429	510	473		
Minority Interest	0.08	0.06	0.18		
<b>Net Income</b>	<b>1,624</b>	<b>1,915</b>	<b>1,683</b>	<b>3.6%</b>	<b>-12.2%</b>
Gross Margin	38.9%	37.0%	35.3%		
EBITDA Margin	26.7%	25.0%	22.5%		
EBIT Margin	24.6%	23.8%	21.3%		
Net Income Margin	19.4%	20.6%	18.1%		
<b>Earnings Per Share</b>					
Annualized in ₹					
Basic	46	55	48	<b>3.1%</b>	
Diluted	46	54	48	<b>3.7%</b>	

WEIGHTED AVERAGE NUMBER OF SHARES*	31-Mar-14	31-Dec-14	31-Mar-15
Basic	1,398,351,427	1,403,370,126	1,405,452,270
Diluted	1,412,947,917	1,410,021,079	1,411,317,770

OUTSTANDING OPTIONS (in equivalent no of shares)*	31-Mar-14	31-Dec-14	31-Mar-15
Options at market price	3,196,072	-	-
Options at less than market price	14,486,968	8,313,336	7,121,128

The options will vest in tranches till 2018.

\* Number of shares and outstanding options have been adjusted for recent bonus issue made on March 21, 2015. These have been restated for previous quarters to facilitate like to like comparison.



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	
	31-Mar-15	30-Jun-14
<b>Assets</b>		
Cash and Cash Equivalents	838	1,021
Accounts Receivables, net	6,430	5,684
Unbilled Receivables	3,001	2,024
Fixed Deposits	8,814	8,370
Investment Securities, held to maturity	-	212
Investment Securities, available for sale	218	397
Other Current Assets	2,567	2,124
<b>Total Current Assets</b>	<b>21,869</b>	<b>19,833</b>
Property and Equipments, net	3,649	3,147
Intangible Assets, net	5,037	5,149
Investments in Equity Investee	27	12
Other Assets	2,983	2,346
<b>Total Assets</b>	<b>33,566</b>	<b>30,487</b>
<b>Liabilities &amp; Stockholders Equity</b>		
Current Liabilities	8,385	8,197
Borrowings	425	751
Other Liabilities	1,407	1,462
<b>Total Liabilities</b>	<b>10,217</b>	<b>10,409</b>
<b>Total Stockholders Equity</b>	<b>23,349</b>	<b>20,078</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>33,566</b>	<b>30,487</b>

## 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 104,184 transformers to create real value for the customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US\$ 5.8 billion, as on 31st March 2015 (on LTM basis). For more information, please visit [www.hcltech.com](http://www.hcltech.com)

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## 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.



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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 100,000+ 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

	31-Mar-15
Cash and Cash Equivalents	134.1
Fixed Deposits	1,410.4
Investment Securities, available for Sale	35.0
<b>Total</b>	<b>1,579.4</b>

	31-Mar-15
<b>Borrowings</b>	<b>68.0</b>

## A. DETAILS OF CASH & CASH EQUIVALENTS

Amount in US \$ Million

BANK NAME	COUNTRY	31-Mar-15
Deutsche Bank	United Kingdom	13.4
Citi bank	India	11.5
Citi bank	Sweden	5.1
Citi bank	Australia	5.1
Citi bank	Japan	4.0
Wells Fargo Bank	America	3.2
Standard Chartered Bank	South Africa	3.0
Deutsche Bank	America	2.5
Deutsche Bank	France	2.5
Citi bank	Finland	2.4
Citi bank	Chile	2.4
Citi bank	Italy	2.3
BNP Paribus	Saudi Arabia	2.3
Citi bank	China	2.0
Citi bank	Denmark	1.8
Standard Chartered Bank	India	1.7
Citi bank	Philippines	1.7
State Bank of India	India	1.6
Bank of Ireland	Ireland	1.4
BNP Paribus	India	1.3
Citi bank	Malaysia	1.2
Deutsche Bank	Spain	1.0
Others	Others	60.6
<b>Grand Total</b>		<b>134.1</b>

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

## B. FIXED DEPOSITS

Amount in US \$ Million

	31-Mar-15
Bank of Baroda	140.6
Bank of India	191.9
Canara Bank	185.1
Corporation Bank	144.0
HDFC Ltd	192.0
Oriental Bank of Commerce	94.7
Punjab National Bank	127.9
State Bank of Bikaner & Jaipur	25.6
State Bank of Hyderabad	68.8
State Bank of India	0.3
State Bank of Mysore	20.3
State Bank of Patiala	31.1
State Bank of Travancore	40.0
Union Bank of India	147.9
<b>Total Fixed Deposit</b>	<b>1,410.4</b>

## C. INVESTMENT SECURITIES, AVAILABLE FOR SALE

Mutual Funds Liquid Schemes	35.0
<b>Total Investment Securities, available for Sale</b>	<b>35.0</b>

<b>Grand Total (B+C)</b>	<b>1,445.3</b>
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## DETAILS OF LOANS

Working Capital Loans	68.0
<b>Total Loans</b>	<b>68.0</b>